



2024
Integrated Annual Report

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Navigating this Integrated Annual Report

This is the PDF version of our 2024 Integrated Annual Report, which is also available online in web format at annualreport.com/dsm-firmenich.com/2024/

Forward-looking statements

This Integrated Annual Report may contain forward-looking statements with respect to dsm-firmenich's future (financial) performance and position. Such statements are based on current expectations, estimates and projections of dsm-firmenich and information currently available to the company.

dsm-firmenich cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance, transaction progress and positions to differ materially from these statements. The information provided in this Integrated Annual Report is provided as of the date of its issue. dsm-firmenich does not assume any obligation to update any information or forward-looking statement provided in this Integrated Annual Report unless required by law.

This Integrated Annual Report contains information that qualifies as inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation. The English language version of this Integrated Annual Report prevails over other language versions.

Links, URLs and references

This PDF contains a number of internal links to other sections within the Report, as well as several URL links that lead to external websites. Both are indicated by [green underlined](#) text.

Header and footer

The navigation header in the top right corner of this page indicates:

- *In green:* the current chapter of the report
- *In grey:* the preceding or following chapter

The 'home' icon in the bottom right corner can be used to return to the contents page.

ESRS and IbR tags

This year, dsm-firmenich reports its Sustainability Statements for the first time in accordance with the European Sustainability Reporting Standards

As such, this Report contains numerous references that indicate which of the CSRD's ESRS topics a section refers to. These topics can be viewed in full in the [ESRS content index](#), and in certain instances are incorporated by reference (IbR) using the following marker:

ESRS SBM-1



Our Company



About dsm-firmenich

dsm-firmenich is a Swiss company listed on Euronext Amsterdam. We have dual headquarters in Kaiseraugst (Switzerland) and Maastricht (Netherlands), operations in almost 60 countries, and annual revenues of more than €12 billion.

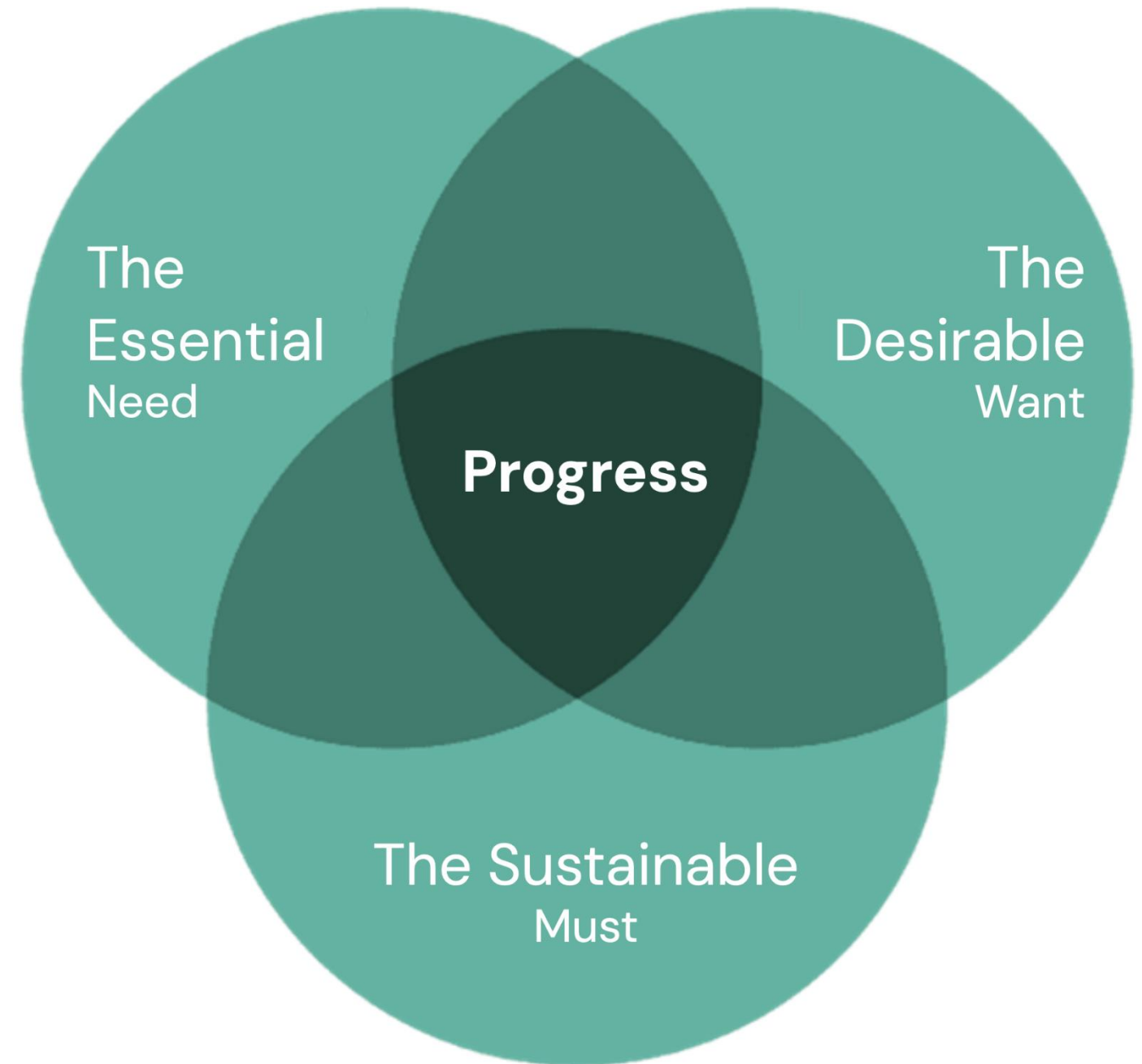
With a diverse, global team of nearly 30,000 employees, we *bring progress to life*, day-in, day-out with our customers, for billions of people all over the world. As innovators in nutrition, health, and beauty, we also use our renowned science and technology capabilities to develop and produce a broad range of solutions ranging from vital nutrients to taste experiences and fragrances.

Bringing progress to life

Where others see challenges, we see possibilities. Drawing on a unique spectrum of solutions and a portfolio of high-quality natural and renewable ingredients, our scientists, innovators, and creators build on a tradition of more than 125 years of purpose-led scientific discovery and innovation.

Working closely with our customers, we address the tension between what society needs (the essential), what consumers want (the desirable), and what the planet demands (the sustainable). Our ultimate goal is to deliver highly differentiated solutions that hit the 'sweet spot' where these requirements overlap.

These science-based solutions touch the lives of people across the world. This encompasses sensational scents from sustainable sources, fortified rice that provides vulnerable people with the vital vitamins they need to thrive, and delicious plant-based sports drinks that give a boost of post-workout protein.



Our history

Building on over a century of transformation, our story is one of innovation, sustainability, passion, and scientific creativity.

We officially launched dsm-firmenich on May 8, 2023, by combining Netherlands-based DSM N.V. and Swiss-based Firmenich SA in a merger of equals. The new company brought together two industry leaders united by a long-standing commitment to sustainability and a gift for continuous evolution in an ever-changing world.

From state mining to sustainable living

DSM has a tradition of radical transformation. Established in 1902 as the state-owned Dutch State Mines (*Nederlandse Staatsmijnen*), the company originally mined coal in Limburg in the south of the Netherlands. Over the 20th century, DSM reconceived itself several times, initially diversifying into commodity chemicals and petrochemicals. Its last mine was decommissioned in 1973. Re-established as a private company, the organization retained the acronym DSM and in the 1990s it underwent further transformation, focusing on science-based health, nutrition, and sustainable living.

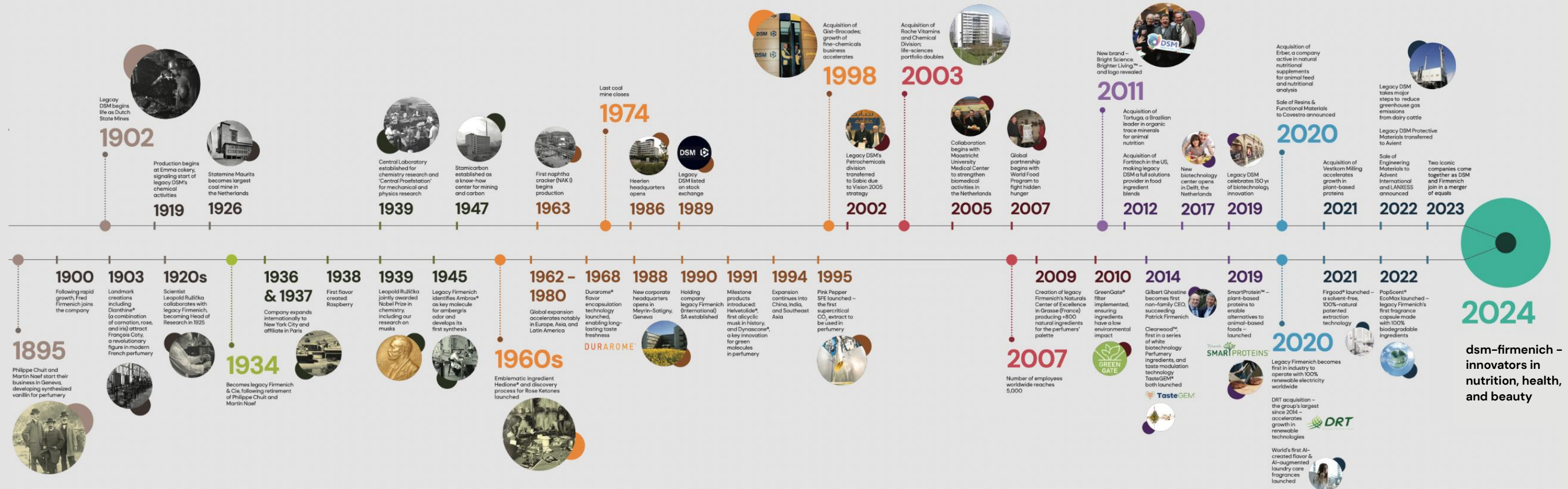
Along the way, DSM worked with a range of partners to deliver innovative solutions that nourish, protect, and improve performance. It also pioneered a range of sustainability efforts, and published its first Triple P (People, Planet, Profit) report in 2008.

From start-up to global house of creators

Firmenich began in 1895, when scientist Philippe Chuit and businessman Martin Naef established a perfumery business in the garage of Charles Firmenich in Geneva, Switzerland.

Trading as Firmenich & Cie, the firm expanded,

with activities in Paris and the US. In 1939, its first head of research, Leopold Ružička, was joint winner of the Nobel Prize for Chemistry. Over the years Firmenich evolved, creating groundbreaking molecules, developing both new flavors and fragrances, and driving sustainability across its operations. The company opened a new headquarters in Geneva in the late 1980s and from 2005 to 2007 established its Naturals Center of Excellence in the Provence-Alpes-Côte-d'Azur region of France. It also published its first Sustainability report at this time, and in 2022, inaugurated a new campus in Geneva.

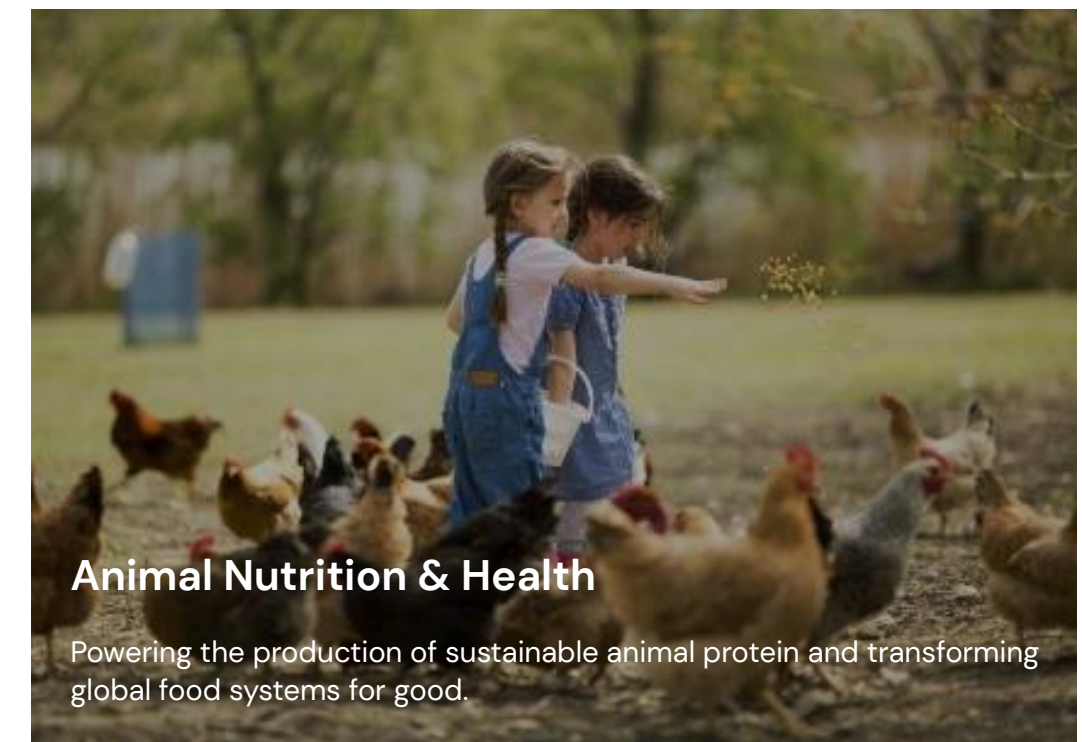
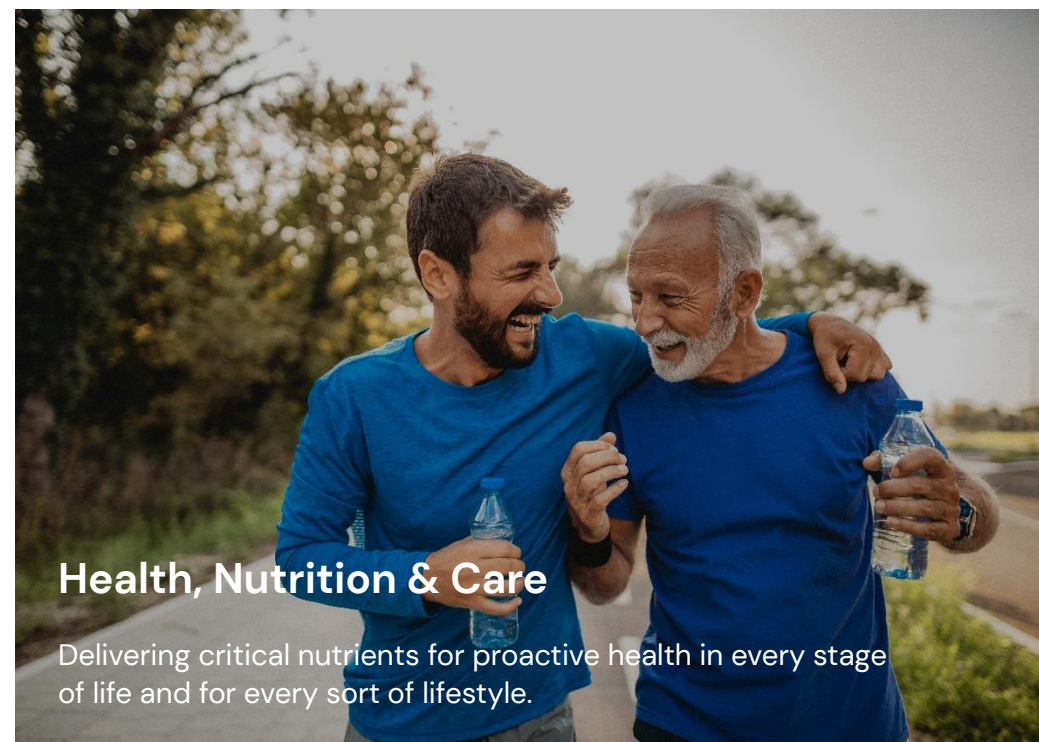
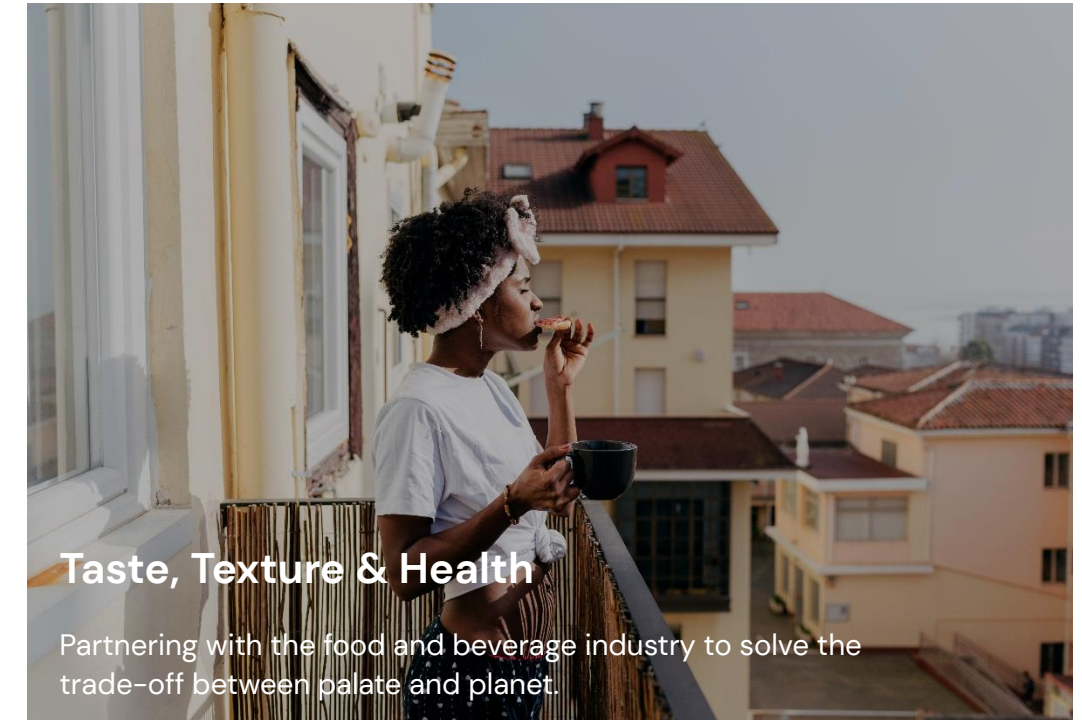
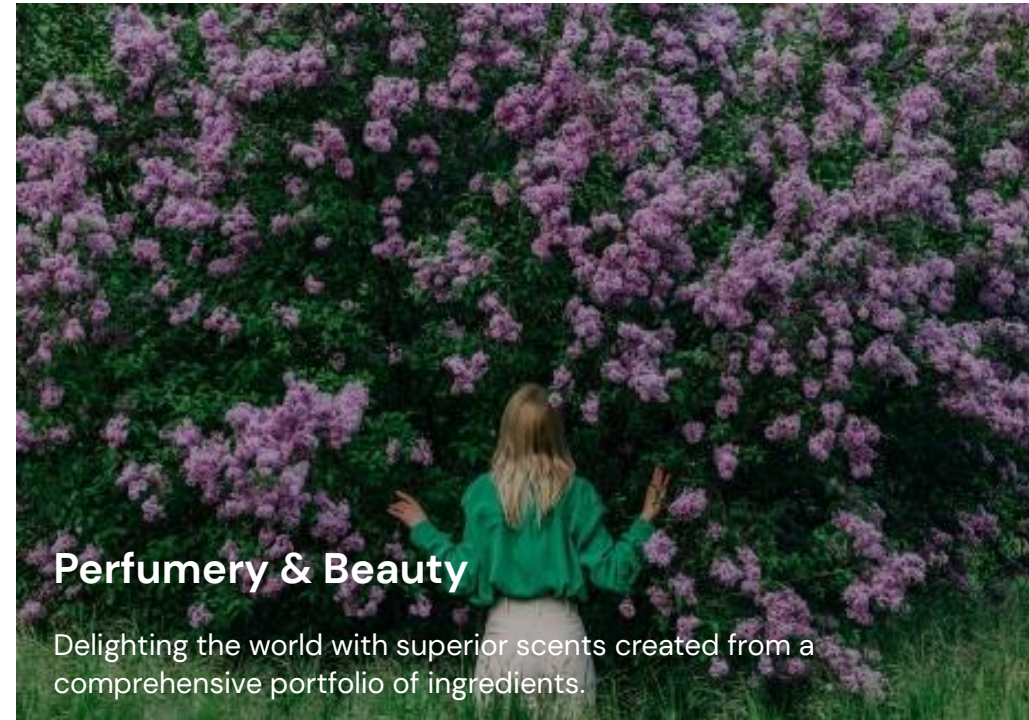


Our Business Units

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.

Each Business Unit has a history of groundbreaking innovation. Virtuosos in their own fields, they are all supported by a firm foundation of scientific and technological brilliance, a comprehensive portfolio of ingredients, and best-in-class business expertise.

Our businesses are uniquely positioned to help customers realize their ambitions and address evolving consumer trends. They do this by creatively applying proven science, drawing on our data-driven innovation capabilities, and providing the highest standards of operational excellence.



Our values

Our three core values are the bedrock upon which we *bring progress to life*. Together, we are working to create a more sustainable business, not only for our customers, but also for society, and the planet.

1) Shape the future

We are curious and open-minded. We take joy in building a way forward with our customers. We are a beacon. When others want to know how to change the world, they see us as an example.

2) Be a force for good

For us, integrity is the only way forward. We are responsible and focus on impact because caring about customers, communities, people, and the planet is not only the right thing to do; it is the only way to grow an enduring, profitable business.

3) Own the outcome

We make bold commitments to customers and each other and go above and beyond to fulfil them. We are empowered to make courageous decisions at the right level. And we hold each other accountable – individually and collectively – to deliver impact.



Key data

Financial performance (x € million)	2024	Pro forma 2023¹
Sales from continuing operations	12,799	12,310
Adjusted EBITDA from continuing operations ²	2,118	1,777
Adjusted operating profit from continuing operations (EBIT) ²	926	666
Operating profit (loss) from continuing operations (EBIT)	561	(173)
Net profit (loss) for the year from continuing operations	280	(550)
Core adjusted net profit for the year from continuing operations ²	849	555
Adjusted gross operating free cash flow from continuing operations ²	1,552	999
Capital expenditure, cash based	764	734
Dividend for dsm-firmenich shareholders (based on profit appropriation) ³	661	663
Net debt	2,556	2,215
Shareholders' equity	22,511	22,908
Total assets	33,747	34,270
Capital employed	26,474	26,766
Market capitalization at 31 December ⁴	25,825	24,442
Other financial indicators		
Per ordinary share in €		
Basic earnings per share	0.94	9.14
Core earnings per share ²	3.10	2.03
Financial ratios (%)		
Adjusted EBITDA margin (continuing operations) ²	16.5	14.4
Working capital / annualized net sales (continuing operations)	27.7	31.1
Core adjusted ROCE (continuing operations) ²	7.6	5.2
Equity / total assets	67.3	67.3

1. Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.

2. 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 management performance. A reconciliation of IFRS performance measures to the APMs is given in [Note 2 Alternative performance measures](#) to the Consolidated Financial Statements.

3. Subject to adoption of the resolution by the Annual General Meeting to be held on 6 May 2025.

4. Source: Bloomberg.

Sustainability performance	2024	2023
Workforce at 31 December (headcount)	28,214	29,301
Female:male ratio	36:64	37:63
Female:male ratio (Executives)	31:69	34:66
Total employee benefit costs (x € million)	3,021	2,891
Frequency Index Total Recordable Incident Rate	0.24	0.31
Employee Engagement Index (in %)	79	82
Primary energy use (in TJ)	17,100	19,300
Greenhouse gas emissions, Scope 1 & 2 (in kt CO ₂ e)	772.7	915.4
Greenhouse gas emissions, Scope 3 (in kt CO ₂ e)	11,156	10,460



Letter to our stakeholders

Dear Reader, welcome to our second Integrated Annual Report, in which we reflect on our achievements and milestones in 2024.

Our second year was marked by decisive actions to reshape our organization. We were guided in this by our purpose of *bringing progress to life* through sustainable, innovation-driven growth. In doing so, we are creating a Category of One company that brings solutions to market that combine the essential, the desirable, and the sustainable.

A crucial decision was to seek a separate destiny to our Animal Nutrition & Health (ANH) unit. It is an outstanding, world-leading business, but it has distinct characteristics from our other activities. This led us to the conclusion that it would thrive better outside dsm-firmenich.

Growing momentum and improving performance

2024 was characterized by a progressive improvement in our overall financial results, with strong performances in Perfumery & Beauty as well as in Taste, Texture & Health, improved organic sales growth in Health, Nutrition & Care, and improving momentum in Animal Nutrition & Health.

The sum of those efforts and events culminated in an Adjusted EBITDA of approximately €2.1 billion, a 19% increase from 2023. At the Annual General Meeting on 6 May 2025, the Board of Directors will propose a stable dividend of €2.50 per share for the financial year 2024.

Merger synergies

An important contributor to our overall performance was the range of synergy initiatives that were already launched in 2023, designed both to deliver cost savings and to leverage new sales opportunities. These actions delivered an Adjusted EBITDA contribution of approximately €100 million in 2024, on track to reach a targeted annual Adjusted EBITDA figure of €350 million by 2027–2028.

Decisive action on many fronts

Likewise, our vitamin transformation program, set up in 2023 to address volatility in the global vitamins market, delivered an Adjusted EBITDA contribution of approximately €100 million in 2024, firmly on track to deliver an Adjusted EBITDA contribution of around €200 million by 2025.

As part of our decision to deprioritize certain segments, in October 2024 we completed the sale of our yeast extracts business to Lesaffre, a key global player in fermentation and microorganisms. In the same month, we completed the sale of our marine lipids business to KD Pharma Group in exchange for a minority stake in the expanded company.

Excellent progress was made in 2024 to prepare for the separation of our ANH business. On 11 February 2025, we announced the sale of our stake in the Feed Enzymes Alliance to our equal partner Novonesis, a global leader in biosolutions, for € 1.5 billion. With the scope of

the separation of the ANH business now defined, we are committed to finding a new home where it will have every opportunity to optimize its potential.

Next step: accelerating our growth

At our Capital Markets Day in June 2024, we presented our strategy, outlining a clear path and key milestones. We will build on our already strong position in nutrition, health, and beauty by concentrating on three macro-trends:

- Increasing focus on lifespan vitality
- Growing awareness of the potential of preventative healthcare
- Rising expectations concerning well-being

These trends are driven by increasing demand for a holistic approach to well-being. They offer opportunities in high-growth, high-margin segments, and we have the skills and knowledge to expand strongly within these markets. Our acceleration will be driven not only by our capabilities, but also by our culture, which is grounded in three company values: ‘Shape the future,’ ‘Be a force for good,’ and ‘Own the outcome.’

Living out these values makes us breakthrough innovators, courageous decision-makers, and reliable partners. Day-in day-out, we work to deliver innovative solutions that create powerful differentiation for our customers while balancing the needs of People and Planet.



Innovation-driven growth

Innovation remains the cornerstone of our growth. We continuously invest in Science & Research: in 2024, we spent €796 million on R&D. Our innovation pipeline is driven by our eight cutting-edge science capabilities: chemical and process sciences, nutritional and food sciences, formulation and materials science, analytical sciences, artificial intelligence and data science, receptor biology and sensory sciences, microbiome, and biotechnology.

In 2024, we made 164 new first-patent publications and continued to introduce exciting new innovations to the market across nutrition, health, and beauty. You will discover more about these remarkable advancements in our Report.

Sustainability

In 2024, our climate targets were validated by the Science Based Targets initiative (SBTi), including an ambitious target of achieving net-zero emissions across our full value chain by 2045. In parallel, we continued to build our nature program, tightly interlinked with our climate programs, to protect and restore nature as a permanent source of innovation, input, and inspiration for our scientific and creative thinking. We also made good progress with key employee and safety programs in 2024. In addition, we also achieved significant milestones in our malnutrition programs and are pleased to confirm the continuation of our partnership with the UN World Food Programme for a further three-year term from 2025 through 2027.

Starting this year, we present our [Sustainability Statements](#) in accordance with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD), thereby further increasing transparency regarding our sustainability efforts.

Strategic growth investments

As a global player in nutrition, health, and beauty, we continued to invest in our businesses during 2024. For example:

- We inaugurated two fragrance ingredient plants in southwest France, supporting our strategic perfumery ambitions to facilitate the use of sustainable ingredients
- We are constructing a production plant for flavors in Karawang (Indonesia), which is planned to be operational in 2026
- We began construction of a new biomedical facility in Pennsylvania (USA), which will enable us to expand our offer in biomedical technologies in the course of 2025
- In Sadat City (Egypt), we opened a new premix and additives plant, underscoring our commitment to meeting the growing demand from livestock farms and feed mills across Egypt, the Middle East, Southern Europe, and Africa
- We opened our new Science & Research center in San Diego (California, USA). At this facility, our teams are investigating receptor biology – a field of study that is unlocking innovations in taste and health, among many other areas

Governance

The Board of Directors held 10 meetings in 2024, while the Board Committees each met four to eight times. The full details can be found in the [Governance & Risk Management](#) chapter of this Report.

The Board of Directors dealt in detail with all the key strategic topics, monitored the financial performance and gave special attention to human resources and succession related topics. It continued to scrutinize quality, safety, and compliance matters at every meeting. The Board is committed to ensure the company has a culture of ethical excellence. In furtherance of this, it expects its employees to uphold the highest legal and ethical business practices, as enshrined in our Code of Business Ethics. We continue to collaborate with the competition authorities following the launch of their investigation in the fragrance industry in 2023.

Pradeep Pant, Member of the Board of Directors, retired from his position in 2024 due to the statutory age limitation. We warmly thank him for his distinguished service and highly valued contributions. The full Board of Directors will stand for re-election at the Annual General Meeting of 2025.

Looking ahead

As we reflect on the achievements of 2024, we have much to look back on with pride. We would like to extend an immense thank-you to our stakeholders – shareholders, customers, suppliers, and partners – and of course to our employees, without whom the achievements of 2024 would not have been possible. We are excited about the prospect of accelerating our efforts in the coming years.

Warm regards,



Thomas Leysen
Chairman of the Board of Directors



Dimitri de Vreeze
Chief Executive Officer



Our strategy

Our journey started with a bold dream to *bring progress to life by combining the essential, the desirable, and the sustainable.*

In 2023, we combined the strengths of two iconic companies to create dsm-firmenich, a global leader in nutrition, health, and beauty. After a challenging 2023, we took decisive action and completed a strategic business and portfolio review. We decided to de-prioritize certain businesses and focus on high-growth, high-margin segments in nutrition, health, and beauty to address key global macro trends.

In the new setup, dsm-firmenich will consist of three highly complementary Business Units, each with a clear value creation strategy. Supported by our expertise in science and sustainability, a superior ingredients offering, distinct innovation platforms, deep consumer insights, and technical application expertise, dsm-firmenich will operate with yet greater focus and will powerfully leverage its unique portfolio and capabilities. Together with our customers, we are well-positioned for long-term growth, making a difference as the world's leading partner in creation and innovation.

Dream



To *bring progress to life* by combining the essential, the desirable, and the sustainable

Merge



Bringing together two iconic companies

Focus



Focusing on creating a leading consumer company in nutrition, health, and beauty

Separating Animal Nutrition & Health

Tune



Prioritizing high-growth, high-margin segments with a calibrated steering approach

Accelerate



1. Grow what we have
2. Anchor what we do
3. Deliver on our promises

A Category of One

Innovation and creation-led growth, backed by science and sustainability



Accelerating growth as a Category of One

Where?

In the right space

The rise of holistic well-being is fueling new market opportunities in nutrition, health, and beauty. We can take advantage by positioning ourselves at the intersection of lifespan vitality, preventative health, and well-being.

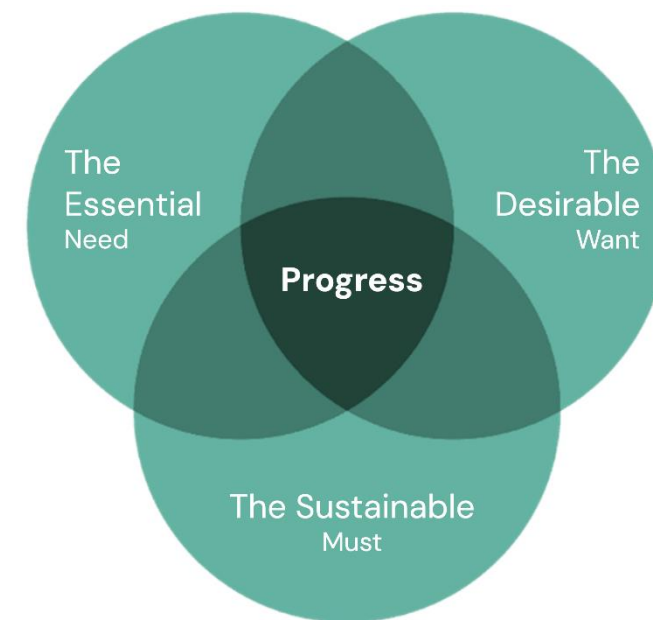
Key trends:

- **50%**
of global consumers attribute high importance to healthy, natural, and clean nutrition
- **50%**
The share of spend on preventative health versus curing is expected to increase from 20% to 50%
- **73%**
The demand for fragrances and beauty is accelerating, with a higher spend among younger generations, with 73% saying scent is a key purchase driver

Why?

To bring progress to life

We will capture these key trends by becoming a consumer-focused company in a Category of One. As creators and innovators in nutrition, health, and beauty, fueled and backed by science, we combine the essential, the desirable, and the sustainable to *bring progress to life*.



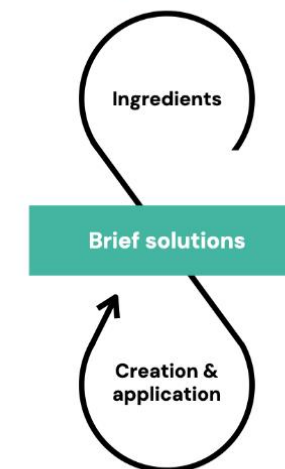
How?

With our unique business model

We operate a customer-focused business model backed by science and sustainability.

Using our research and innovation expertise, we create a toolbox of synthetic, biological, and natural ingredients which we combine with best-in-class customer intimacy, consumer insights, and technical application expertise to offer customers the solutions to their requests (i.e., their 'briefs').

Sustainability as a business driver



Science & Research Innovation

What?

Achieving our mid-term targets

We are confident our strategy will help us to achieve our mid-term objectives, including:

- **5-7%**
Organic sales growth
- **22-23%**
Adjusted EBITDA margin
- **>10%**
Cash to sales conversion
- **People**
 - > A diverse Global Management Team
 - > Total Recorded Incident Rate <0.25
 - > Employee engagement >80%
- **Planet**
 - 42% reduction in Scope 1 & 2 emissions
 - 25% reduction in Scope 3 emissions (both by 2030)



Our approach to business

We bring together best-in-class technologies, advanced science capabilities, and outstanding standards of operational excellence. Our highly integrated portfolio of nutritional, natural, and renewable ingredients targets above-average, innovation-led growth in each of the markets we serve.

Our Business Units

Our activities are organized into four distinct Business Units:

- *Perfumery & Beauty (P&B)* is a leading creation and innovation partner for the most iconic global and local brands in consumer goods, lifestyle, and luxury beauty. P&B is home to some of the best talents in the industry, boasts an unmatched palette of ingredients including captives, and is supported by a vertically integrated supply chain. Powered by our science-based innovations in our Perfumery, Ingredients, and Beauty & Care segments, we make our customers' products more essential, desirable, and sustainable, thereby driving consumer preferences.
- *Taste, Texture & Health (TTH)* tackles some of society's greatest and most pressing challenges. We provide nutritious, healthy, and sustainable food and beverage solutions that support the acceleration of the diet transformation with appealing taste and texture and help nourish the rapidly growing global population while contributing to the reduction of food loss and waste. TTH consists of Taste, which includes flavors, natural extracts, and sugar reduction solutions; and Ingredients Solutions, which includes everything from food enzymes to hydrocolloids, cultures, natural colorants, nutritional ingredients, and plant-based proteins.
- *Health, Nutrition & Care (HNC)* contributes to the health of the world's growing population by delivering a wide range of innovative nutrition and care solutions. These support well-being and proactive health at every stage of life and for every lifestyle. HNC serves the early life nutrition, dietary supplements, pharmaceutical, medical nutrition, and biomedical materials markets, as well as the nutrition improvement sector. HNC provides a suite of customized solutions (premix, market-ready solutions, and personalized nutrition) as well as a range of expert services in regulatory affairs and nutrition.
- *Animal Nutrition & Health (ANH)* helps deliver healthy animal proteins efficiently and sustainably, while harnessing the power of data to make animal farming practices more sustainable, productive, and transparent. With a portfolio of vitamins, performance solutions, and data-driven precision services, ANH serves the entire animal production value chain, helping to shape the future of animal farming. Our solutions enable the production of high-quality animal protein while also reducing emissions and the world's reliance on natural resources.

Science & Research

Each Business Unit partners closely with its customers to push the boundaries of the possible. They do this by drawing on the expert capabilities of our eight research platforms:

- Biotechnology
- Microbiome research
- Receptor biology and sensory sciences
- AI and data science
- Chemical and process sciences
- Formulation and material sciences
- Analytical sciences
- Nutritional and food sciences

These platforms fuel our innovation pipeline across nutrition, health, and beauty, and build upon our record of innovation-driven growth.



Our journey to creating a Category of One

In 2023, amid challenging macroeconomic conditions and low vitamin prices, we took decisive actions to accelerate our integration, transform our vitamins business, and review our portfolio. We launched a €200 million vitamin transformation program and accelerated the delivery of our synergies, which are expected to contribute approximately €350 million to Adjusted EBITDA.

We completed a strategic business and portfolio review, making a thorough assessment of market attractiveness, right to win, and capital efficiency across all our activities.

We have recognized that the ANH business would thrive better under different ownership, leading to our announcement in February 2024 to separate this Business Unit from the Group.

Our strategic review also led us to de-prioritize certain segments, including non-differentiated vitamins, aroma ingredients, agro ingredients, yeast extracts, and marine lipids. This allowed us to better focus on high-growth, high-margin areas in nutrition, health, and beauty.

In the course of 2024, we sold our marine lipids, yeast extracts, and our minority stake in Robertet. On February 11, 2025, we announced the sale of our stake in the Feed Enzymes Alliance for €1.5 billion to our equal partner Novonesis.

Continuing our journey as a Category of One

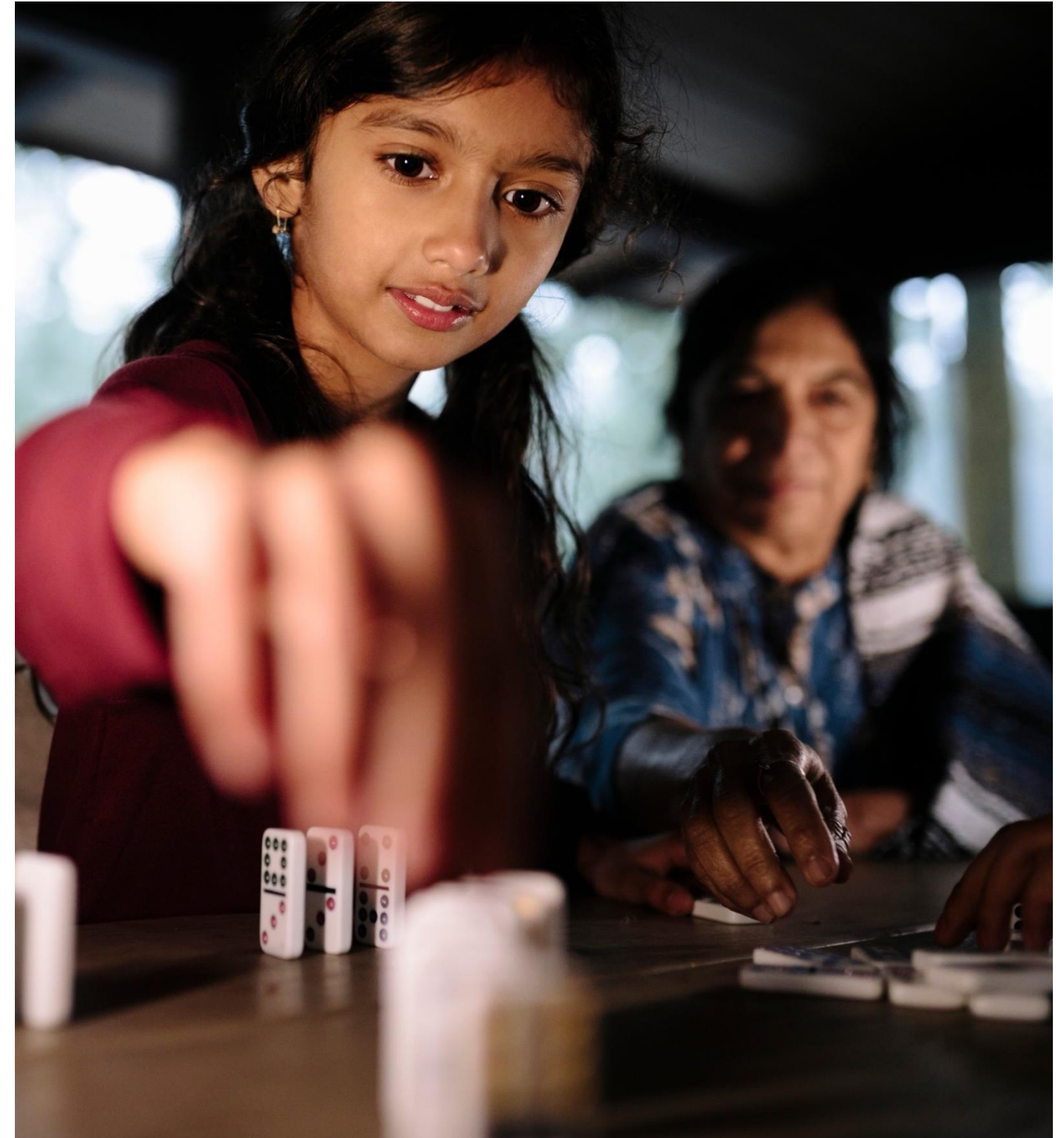
After the divestment of our ANH Business Unit planned for 2025 and the finalization of the portfolio tuning, dsm-firmenich will fully focus on strengthening its position in nutrition, health, and beauty.

We will prioritize opportunities for above-average organic growth, focusing on high-growth, high-margin segments and carefully calibrating our business steering to deliver superior performance across all our businesses. This will create the conditions to accelerate our growth and intensify our performance as a Category of One.

We will achieve this by concentrating on three macro-trends that indicate a growing demand for a holistic approach to well-being:

- An increasing focus on lifespan vitality
- A growing awareness of the potential of preventative healthcare
- Rising expectations concerning well-being

Each segment has a clear mandate for value creation, and our investment policy follows these mandates. This approach, aligned with global macro trends, ensures smart, impactful progress toward our mid-term targets. Our unique business model allows us to fully exploit these market opportunities.



Our unique business model

We deploy a unique model driven by sustainability and fueled by customer intimacy. Our unparalleled toolbox – comprising synthetic, biotech, and natural ingredients – underpins our creation and innovation capabilities, based on extensive consumer insights and our cutting-edge technical application expertise.

Science & Research

Both our products and way of working are grounded in our ambitious and well-funded Science & Research capabilities: we invest more than €700 million in this area of our business and are regularly recognized by Lexis Nexis as one of the world’s top 100 most dynamic innovators.

Sustainability

We have always viewed sustainability as a key business driver and a core responsibility. Our purpose of *bringing progress to life* involves addressing the needs of People and Planet in equal measure. For People, we create solutions that fuel healthy lives, nurture well-being, and empower people to thrive. For the Planet, we act to accelerate action on climate and conserve natural resources while safeguarding nature and biodiversity.

Working in close collaboration with customers and partners, we aim for best-in-class sustainability performance in our own operations, and to make the maximum positive impact on People and Planet. We maintain influential partnerships with the Bill & Melinda Gates Foundation, the World Food Programme, World Vision, and UNICEF, making a broad contribution to the UN Sustainable Development Goals (SDGs) through these programs as well as via our commercial activities. Our progress during 2024 is presented in detail in the [Sustainability](#) and [Sustainability Statements](#) chapters of this Report.

Operational principles

The following principles govern our operating model:

- We are united by a common purpose and values
- Priorities, strategy, and policies are set at Group level
- We differentiate ourselves through our credentials and capabilities in Science & Research as well as sustainability
- Sustainability is embedded into how we design, source, manufacture, and deliver products and solutions in collaboration with our customers, suppliers, and partners
- We give our Business Units a high degree of autonomy to ensure agility and customer intimacy. Each Business Unit has full accountability for cash generation and delivery of their financial results. They also have control of their respective manufacturing plants, supply chains, and relevant regulatory services. The innovation teams in each Business Unit work in partnership with Group Science & Research to deliver on our innovation goals
- Our Business Partners enable excellence and efficiency by partnering closely with the Group and the Business Units. The Business Partners also drive effectiveness through shared service centers



Our drivers of success

We deliver transformational solutions and measurable added value thanks to the passion and skill of our people, our creation and science capabilities, and our data-driven and digital business models.

People and values

Our team of almost 30,000 is committed to quality and innovation. We live and work in accordance with our values: to 'Be a force for good' in the world, to 'Own the outcome' of our endeavors, and to 'Shape the future' by acting together with our customers.

Innovation capabilities

Our growing portfolio of more than 16,000 patents, together with our annual R&D and innovation spend of more than €700 million, enables the Science & Research team across 15 research hubs to deliver transformational solutions.

Our team partners with our Business Unit innovation teams, 40 creation centers, and 78 application laboratories to deliver differentiating innovations for our customers. We champion a collaborative approach that thrives on over 100 productive relationships with academics, startups, and companies. For more information, see [Science & Research](#).

Market proximity

We combine a global philosophy with local insights and close market proximity.

With 330 offices, labs, and manufacturing locations worldwide, we offer customers a range of value-adding solutions. We co-create with them, drawing on our expertise and scientific and technological capabilities to maintain exacting global safety and quality standards to secure consistency and continuity of supply.

Our foundation

Our global presence brings many opportunities and responsibilities. Quality, safety, and compliance are the foundation for all our business activities, anchored in the principles of our [Code of Business Ethics](#) and policies.

Quality

At dsm-firmenich, quality is the right of every customer and the responsibility of all employees. We take pride in the care with which we craft every product and solution. A key part of our success is to positively impact people, customers, and community through our quality and food, and product safety strategy. Building on our quality policy's four principles – 'Quality culture', 'Crafted with care', 'High standards', and 'Continuous improvement' – we built a strong foundation to achieve our quality ambitions.

We are committed to being a trusted and safe choice for customers and have established fundamental quality systems that set the high standards required to *bring progress to life*.

We launched our management principles and operational requirements, our Group quality standards, quality key performance indicators, and monthly and quarterly quality reports to the Board of Directors and Executive Committee, including the CEO newsletter, and quality culture activities, celebrations, and awards. As part of our passion to bring our people and customers on our journey to lead in quality excellence, we celebrated World Quality Day 2024 with senior leadership, operations,

and quality communities, highlighting our move "from compliance to performance." In the celebration, we launched our 10 quality essentials, which are central to our quality management system. These embody our quality policy, vision, mission, and Group operational requirements, focusing on risk prevention. In 2024, we saw a significant reduction in customer complaints and an improved Right-First-Time rate. Our people, customers, and community are at the center of everything we do, and quality remains a key differentiator for growth.

Safety, Health & Environment (SHE)

Safeguarding our people, communities, and planet is not only good business: it is the right thing to do. We value and protect people by constantly enhancing health and safety. Our SHE policy is a promise to employees, partners, customers, and stakeholders to hold ourselves to exemplary standards, so we not only ensure our own sustained growth but contribute to a safer, healthier, and more sustainable world.

Ethics and compliance

Ethics and compliance are the responsibility of every employee. Our Legal, Regulatory, Risk and Compliance team connects our company with opportunities while protecting our interests and values. Collaborating closely with stakeholders, we operate to the highest legal and regulatory standards while managing our risk exposure and upholding our commitment to ethical business practices as outlined in our [Code of Business Ethics](#).



Science & Research

Each year, we invest over €700 million in research and development. Our company is home to over 2,000 scientists across 15 research hubs, 40 creation centers, and 78 application laboratories.

Following our 2023 merger, our scientists now have access to an unparalleled suite of complementary scientific capabilities. In 2024, we capitalized on these capabilities to make key innovation product launches across all our Business Units.



"We believe in the power of science to make a positive impact, both for People and Planet. That's why science is at the heart of everything we do, helping us to bring progress to life across nutrition, health, and beauty."

Dr. Sarah Reisinger,
Chief Science & Research Officer



Our approach to Science & Research

We drive the development of pioneering products and technologies with an end-to-end innovation approach. Sustainability is embedded throughout every stage of the process – from discovery, pre-clinical and clinical studies to application development, scale-up and industrialization.

Our global Science & Research team ensures innovation is aligned with the needs of our businesses by continuously refining its innovation portfolio to maximize value. This involves delivering existing priority projects that have a direct impact on business, as well as reviewing and investing in capabilities to future-proof innovation delivery. Our newly formed Scientific Advisory Board also helps guide long-term direction.

The integration of our legacy companies has resulted in a unified global innovation portfolio that effectively addresses both current and future needs. This is boosted further through investments made by our Venturing unit in startups developing cutting-edge innovations.

With our track record of world-class scientific leadership and uniquely broad portfolio of ingredients, we apply creative expertise and proven science to improve health and well-being and address the global challenges of sustainable delivery.

R&D expenditure

We continuously invest in innovation to support the overall balance of our product portfolio and product life cycles.

Continuing operations	2024	Pro forma 2023 ¹
R&D expenditures in € million	796	744
R&D expenditures as % of net sales	6	6
Staff employed in R&D activities	2,089	2,042

¹ Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.

Our capabilities

As mentioned in [Our strategy](#), our cutting-edge Science & Research capabilities are built on eight powerful research platforms, and the tools at our scientists' disposal ensure they can have the greatest possible impact. Our scientists also work closely with our Business Units, customers, and consumers to help guarantee we are making a real difference, whether we are working to make products healthier, more sustainable, or simply more delightful.

Biotechnology

Through our mastery of microbial systems, we have developed a wide range of nutrition, health, and beauty products. Using traditional and modern approaches to biotechnology, including synthetic biology and precision fermentation, we create and improve sustainable bio-solutions that accelerate the shift to a climate-neutral society. These approaches are further boosted when coupled with cutting-edge digital technologies, such as Artificial Intelligence (AI). Our biotechnology know-how enables us to innovate, improve our existing solutions, and provide a consistent supply of ingredients to our Business Units.

Microbiome research

For humans and animals, we are working to better understand interactions with the microbiome, the unique, individual collection of diverse microorganisms that populates the body. Knowing more about the microbiome's influence on health and well-being, especially for gut and skin health, enables us to develop novel capabilities. We also capitalize on

synergies between microbiology, analytics, data science, synthetic biology, and human biology.

Receptor biology and sensory sciences

Our research into receptor biology is decoding taste, smell, and related sensations at the molecular level with our proprietary knowledge driving innovation across a range of business segments. Together with our creation expertise, this industry-leading science helps discover highly differentiating ingredients and modulators of flavor and fragrance.

Research into perception and cognitive neuroscience sheds further light on how humans respond to ingredients or mixtures. Our insights into the sensory and psychophysical characteristics of fragrance and flavor help us identify and measure well-being benefits. Our capabilities in this area include in-house sensory testing, psychophysics, and behavioral psychology. These are complemented by psychophysiology and cognitive neuroscience conducted with the aid of external partners.

AI and data science

We continue to exploit and explore advances in AI to create new tools that augment our research and creative teams. Data science generates insight into bioinformatics, biostatistics, lab data sciences, AI-driven formulation performance modeling, and knowledge management. The application of state-of-the-art data science methodologies and infrastructure across our research and innovation also enables the development of unique, precision solutions for our customers.



Chemical and process sciences

We deliver new signature ingredients for our perfumery business and develop improved production processes for existing ingredients for nutrition, health, and beauty.

Assisted by our green chemistry approach, we use modern catalytic methods, renewable raw materials, and data science to speed up successful product development while lowering our eco-footprint. In tandem, we also address increased customer demand for natural ingredients by developing advanced extraction technologies, such as Firgood®. Our leadership in naturals is built upon three pillars: innovation, sustainable procurement standards, collections of certified ingredients with strong involvement at source.

Formulation and materials science

We develop cutting-edge biodegradable delivery systems that boost fragrance longevity, capitalize on our mastery of molecular partitioning to enhance the stability and bioavailability of active ingredients used in personal care, and use our expertise in controlled release to develop targeted delivery solutions for ingredients used across our businesses. We also use our knowledge of flavor delivery and off-note modulation, combined with our expertise in plant-protein texturization, to offer new food-and-drink product formats.

Analytical sciences

Our analytical sciences capabilities enable us to pioneer solutions that shape the future of nutrition, health, and beauty. By generating molecular insights, we assist in the discovery of

novel ingredients and deepen the understanding of complex biochemical mechanisms in microbes. We unravel the molecular composition and interactions responsible for the performance of our products in customer applications. Reliable analytical sciences data is critical in supporting advances in modeling approaches and AI, from ideation and discovery to manufacturing and application of our products.

Nutritional and food sciences

We create science-based, sustainable solutions for human nutrition and health. Our expertise in nutritional and food sciences supports the product-development and delivery process – from concept, through preclinical and clinical research – to the customer. It also enables us to develop targeted solutions that improve the flavor, texture, and nutritive content of food products.

IP and licensing

Our intellectual property (IP) professionals maximize the value of our innovations and brands by strategically defending patents and trademark rights in key markets. The IP team acts as a differentiator in joint developments, technology licensing (in/out), and IP asset acquisitions or sales. In 2024, we made 164 new first-patent publications, reflecting a continued focus on protecting our competitive advantage.

Scientific collaboration

We participate in more than 60 public-private partnerships and collaborate with over 100 organizations worldwide, including academic institutions, start-ups, and others. Our commitment to collaboration broadens our scientific and research horizons, enabling us to collectively contribute to solving pressing societal and environmental challenges.

Venturing

Our Venturing unit invests, coaches, and supports startups to innovate in nutrition, health, and beauty. In 2024, we made four new startup investments and nine follow-on investments in existing portfolio companies. We successfully monetized the value of our investments through various liquidity events. At the end of 2024, our portfolio included 39 startups, plus two fund investments in our portfolio. For more information, visit [here](#). Venturing also supports building and scaling innovative ventures from within dsm-firmenich via a venture-capital approach with dedicated entrepreneurial teams, single-tier startup-style board governance, and value inflection, milestone-based funding rounds.

Pushing the boundaries

Our scientists conduct pioneering work involving each of the eight science capabilities described in this chapter. However, it is the synergies between them that really make our company special. By using these capabilities together, we can innovate in truly unique ways, setting us apart as a Category of One.

In 2024, we launched an array of innovations across a range of markets. For example, our Sprinkle It Technology™ makes it easy to increase the nutritional value of food, our Novasense® solutions improve the perception of alcohol in no- or low-alcohol drinks, and our TastePRINT® technology is ushering in a new generation of affordable and sustainable sweetness.

The new profragrances in our groundbreaking HaloScent® range ensure scents last longer and our ETERWELL™ YOUTH technology helps skin appear younger.

We also launched exciting new solutions in our ocean-friendly *life's*®OMEGA range, which boosts sustainability by making use of omega-3 derived from microalgae rather than from fish; our new ProAct360™ solution is improving livestock performance through enhanced protein digestion; and much more.

As scientific leaders, we must constantly challenge ourselves: we know it is vital to ensure that our science remains at the cutting edge and that we continue investing in the most promising emerging technologies. This is why we founded our new Scientific Advisory Board in 2024. This special team of world-leading experts challenges and reviews our scientific work. They help us to shape our vision for a healthier and more sustainable future, in which our innovations keep pushing back the boundaries of what is possible.



Our Businesses



Perfumery & Beauty

Perfumery & Beauty (P&B) is a leading creation and innovation partner for the most iconic global and local brands in consumer goods, lifestyle, and luxury beauty. P&B is home to some of the finest industry talent, offers an unmatched palette of ingredients, including captives, and is supported by a vertically integrated supply chain.

2024 was a year of transformation and performance for P&B. We built a stronger foundation for future growth and created a new operating model to unleash the full potential of our new Business Unit. For the first time, we brought together all our businesses – Perfumery, Ingredients, Beauty & Care, Operations, and Business Partners – creating an integrated ecosystem that puts us in a uniquely strong position within the perfumery and beauty space.

We also start building a culture of operational excellence via programs focusing on core processes such as supply chain optimization, manufacturing competitiveness, enabled and accelerated by AI and data analytics. We intensified our focus on customer and consumer intimacy, and maintained our industry leadership position in science and innovation, while keeping our momentum on sustainability in the new company.

The year was one not only of transformation but also of performance. We further accelerated our innovation drive and allocated more resources to focus on the innovations in new ingredients, technology, and fragrance

design that will bring our vision to life. We increased overall uptake of our products by emphasizing their superior, innovative characteristics. This resulted in a strong growth performance throughout 2024 and reinforced our position in the market.

Highlights

At P&B, we create essential, everyday products that deliver a superior consumer experience while having a positive impact on the planet.

- In 2024, we delivered +7% organic sales growth and +13% Adjusted EBITDA growth
- We won more than a dozen awards for our fragrance creations
- We were recognized at various supplier awards ceremonies by some of our biggest international clients
- Our well-ageing, holistic beauty solution ETERWELL™ YOUTH won accolades as a groundbreaking innovation
- We invested in cutting-edge ingredients plants and inaugurated new production units to facilitate future growth
- We launched a new suncare concept, Sunsense3, built on a vision to transform sun protection into a daily indulgence



Our markets

P&B now covers the entire perfumery and beauty market space.

- In Perfumery, we are a leading partner of our customers in Fine Fragrance and Consumer Brands
- In Ingredients, we provide the broadest, backwards-integrated portfolio in the industry, with a world-class palette, including captives, that is the backbone of perfumery
- In Beauty & Care, we are a leader in suncare and we offer our customers a differentiated portfolio of skincare actives

Key market trends

The global perfumery and beauty market is experiencing continuous growth momentum based on three consumer macro trends:

- Increased focus on lifespan vitality: customers are now engaging sooner (teen beauty) and for longer (silver beauty), resulting in growth for established and target-specific (newcomer) brands
- Growing expectations around well-being: changing consumer attitudes provide additional upsides for discretionary categories
- The rise of the no-compromise consumer: this leads to a new willingness to invest in the scientific and sensorial quality of products while also emphasizing the importance of sustainability and regulatory restrictions

These market trends combined to contribute to strong results for our Business Unit in 2024.

Performance

P&B delivered a very strong performance with 9% volume growth, driven by both global and regional accounts. The 2% negative pricing reflected lower input costs. Perfumery had an excellent year, with strong organic sales growth in both Fine Fragrances and Consumer Fragrances. These activities benefited from the continued good demand for differentiated and exclusive fragrance creations and from innovation delivering product superiority. Ingredients' performance was very strong. Beauty & Care delivered a good first half which was followed by a softer half, especially due to weak demand for suncare.

The strong results were supported by innovation in Perfumery, enabling the creation of superior consumer experiences and securing strong win rates, as well as new product launches in Ingredients and Beauty & Care.

Adjusted EBITDA was up 13% from the prior year, driven by strong innovation-driven volume growth, with the contribution synergies, resulting in a margin of 22.3%.

Key performance figures

x € million	2024	Pro forma 2023 ¹
Sales	3,964	3,709
Organic sales growth (in %)	7	
Adjusted EBITDA	882	783
Adjusted EBITDA margin (in %)	22.3	21.1

1. Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.



“What a year! The merger brought together great businesses and operations and made us think differently to implement a new, empowered organization. We

developed the strategy to achieve our mid-term targets, while focusing on customer needs, and growth and profitability results. In 2024, we were able to both transform and perform, and establish an even stronger foundation for future growth.”

Emmanuel Butstraen,
Chief Operating Officer and Business Unit
President Perfumery & Beauty



The year in review

P&B is now the preferred partner for some of the most iconic brands in consumer goods, lifestyle, and beauty. Powered by scientific innovations in fragrance and skincare, we enable our customers to offer essential, desirable and sustainable products while delivering superior performance.

In June, during dsm-firmenich's Capital Markets Day, we outlined our value creation ambition. In the course of the year, we further detailed our new strategy 'Beyond well-being. Uniting delight and care'. We defined our where-to-play priorities in a thorough bottom-up process and identified the strategic levers and enablers that will allow us to win in the market and maintain leadership in the perfumery and beauty space. Implementation of the new strategy is scheduled for the first quarter of 2025.

Perfumery awards

Our team comprises 110 multi-generational talented perfumers who received numerous awards in 2024, not only for their best-selling fragrances but also for their dedication and creativity. We won more than a dozen accolades, not only from the most prestigious award-giving bodies in the world, but also from leading magazines such as *Marie Claire*, *ELLE* and *Allure*. Highlights included:

- Burberry Goddess by Amandine Clerc-Marie, which won three major awards including Fragrance of the Year from the Fragrance Foundation Awards in the US.
- Valentino 'Born in Roma Intense' by Honorine Blanc and Amandine Clerc-Marie, which won Fragrance of the Year (Women's Luxury)

- Marc Jacobs Daisy Eau de Toilette, which won the Fragrance Hall of Fame award for Master Perfumer Alberto Morillas
- Givenchy Téméraire – La Collection Particulière by Nicolas Bonneville, which won Best Niche Perfume at the Fragrance Foundation Awards in France
- Finally, at Accademia del Profumo in Italy, we won five awards, including Best Perfume for women, with Narciso Rodriguez All of Me by Dora Baghriche and Daphné Bugey, and Best Perfume for men made in Italy with Dolce & Gabbana Light Blue Summer Vibes by Alberto Morillas.

Beauty & Care awards

Our holistic beauty solution, ETERWELL™ YOUTH, powered by Senolytics Science, won five awards, including the Gold Award in Innovation for Best Active Ingredient at the in-Cosmetics Global Summit held in Paris (France), thanks to its remarkable product substantiation in in-vivo, ex-vivo, and in-vitro scientific studies.

Client recognition awards

Alongside our perfume creators, we were also recognized by our biggest international clients, outperforming our competitors.

This year, Procter & Gamble honored us with the Supplier Impact Award 2024 for 'Most Impactful Equality & Inclusion Practices', reaffirming our efforts in support of Diversity, Equity & Inclusion (DE&I). We also received the Partnership Award of the Year from Unilever in recognition of our smooth integration and advancements in pricing adjustment, as well as the Best Innovation Contributor Award from

Henkel Consumer Brands in the laundry care category for our breakthrough technology in biodegradable profragrances. Finally, at Rituals, we were awarded Best-in-Class 2024 in the 'Innovation' category, among Rituals' top 80 suppliers.

Investing for growth

Recent investments made by P&B are now paving the way for future growth and success.

In March 2024, we inaugurated two cutting-edge ingredients plants in south-west France. These state-of-the-art facilities support our strategic perfumery ambitions regarding the use of sustainable ingredients. The first facility is a multipurpose unit to produce various bio-sourced ingredients derived from pine, and the second, a brand-new plant dedicated to the production of our iconic biodegradable musk HABANOLIDE®.

We also inaugurated a new superfluid extraction (SFE) technology plant in India with our long-term partner Jasmine Concrete, which will further strengthen our green extraction capabilities in the region. In September, we completed the construction of a new production unit in La Plaine, our historic Ingredients site in Geneva. This facility is designed to produce revolutionary biodegradable fragrance capsules for laundry care – a first on the world market.



Sustainability, innovation, and partnerships

Sustainability

Our dedicated Life Cycle Assessment (LCA) team has been screening our palette by tracking all 16 PEFCR LCA indicators aligned with global standards. This enables us to deliver robust carbon footprint data and tailored roadmaps for carbon reduction, supporting customers on their journey to net-zero. The advanced LCA data, which covers 98% of our ingredient portfolio was integrated into EcoScent Compass™, our science-based impact measurement eco-fragrance tool, allowing our perfumers to incorporate sustainability from the outset, and to select lower-impact ingredients, driving eco-conscious creation. Launched in 2018, it was expanded in 2023 to include 45 distinct fragrances and 20 ingredients claims, and is now advancing further with optimized data.

By focusing on ingredient discovery to optimize and future-proof our palette, we can create high-performance, renewable and biodegradable ingredients from biotech. These include CLEARWOOD® PRISMA and upcycled materials such as dihydroestragole RC, to lower carbon footprints. Advanced eco-extraction technologies, such as Firgood® also offer 100% natural extracts via a solvent-free, sustainable electromagnetic vibration process.

Innovation

Backed by our expertise in Science & Research, HaloScent® is the fragrance amplifier that has pioneered profragrances since 1997. It is our proprietary and patented technology, activated by nature, and proven to deliver more noticeable and more delightful fragrances. In 2024, we strengthened our leadership in biodegradable profragrances by launching HaloScent® Pure you, the first profragrance specifically designed for performance in fine fragrance applications, which provides a personalized scent signal tailored by the skin microbiome. HaloScent® Pure you activates within minutes, and lasts throughout the day.

Popscent® eco is our most advanced generation of patented encapsulation technology, which delivers a top-performing, long-lasting fragrance while adhering to the highest sustainability standards. With stronger regulations and growing sustainability concerns, we are seeing broad adoption of our Popscent® eco range from global and local clients. In February, we launched Sunsense3 to address the importance of sun care for cancer prevention and skin protection and to realize our vision of transforming sun protection into a daily indulgence. The concept was brought to life with a line-up of the best of Beauty & Care's extensive UV protection portfolio and their expertise in sun protection, combined with Perfumery's innovation capabilities in fragrance.

Honoring our history of Ingredients innovation, our Firgood® extraction technology won the 2024 Editor's Award for Supplier Innovation, while our Jasmine Flower India SFE Abs won the 2024 Perfumery Ingredient Award from

Cosmétique Mag, in France. This ingredient is part of our 2024 Sharing Innovation collection, launched at the World Perfumery Congress in Geneva (Switzerland).

'Sharing Innovation' is a collection of perfumery ingredients that demonstrates our rich history of breakthrough scientific innovations and our expertise in natural extraction, as well as our sustainability drive. This year's collection featured six new ingredients, including CLEARWOOD® PRISMA, a formerly captive biotech ingredient launched in celebration of the 10th anniversary of CLEARWOOD®, one of our iconic, sustainable biotech ingredients.

Partnerships

In 2024, we joined the Value of Beauty Alliance, which brings together key leaders from the European beauty and personal care value chain to raise awareness of our industry's economic and social impact. Members include L'Oréal, Beiersdorf, and PUIG. This platform showcases how our scientific leadership, cutting-edge innovations, and industry experts together help to shape the future. We also joined The Colors, an ecosystem dedicated to multicultural cosmetics and perfumery, which brings together companies, startups, and institutions around a common issue: promoting an inclusive offer. In October, we gathered industry leaders, some of our customers from multi-cultural fragrance brands, and members of the Fragrance Foundation US at the French Consulate in New York City (USA) for an event that facilitated an exchange of ideas on how to better understand and address the diverse needs of consumers from different cultural backgrounds.



Taste, Texture & Health

Taste, Texture & Health (TTH) brings progress to life by tackling some of society's biggest challenges: providing nutritious, healthy, and sustainable food and beverages; accelerating diet transformation with products that offer appealing taste and texture; and nourishing the rapidly growing global population while minimizing food loss and waste.

TTH consists of Taste, which includes the segments flavors, natural extracts, sugar reduction solutions, and Ingredients Solutions, which includes the segments food enzymes, hydrocolloids, cultures, natural colorants, nutritional ingredients, and plant-based proteins. Our four growth platforms – plant-based, sugar reduction, petfood, and health benefits solutions – deploy portfolios and application and creation capabilities across these two divisions.

We bring to market delicious, nutritious, and sustainable food and beverage solutions that are both appealing to consumers and better for People and Planet than the products they replace. We develop products with two key sustainability objectives: to help sustainably feed a growing population and minimize food loss and waste. To achieve these goals, we use creative processes involving our customers. Our passion for the science and emotion of food extends along the value chain from discovery to application to the end-consumer experience. This includes drinks with little or no sugar; dairy products with consumer-preferred

mouthfeel; succulent savory bites; and nutritious plant-based alternatives.

Highlights

- In 2024, we delivered +8% organic sales growth and +11% Adjusted EBITDA growth
- Sales synergies gained momentum through cross-selling, concept-selling, and capability-sharing, resulting in a steadily growing pipeline in line with mid-term ambitions. We announced our strategic priorities at dsm-firmenich's Capital Markets Day in June and, as a result of our strategic review, we sold our yeast extract business to Lesaffre
- We continued to invest in our regional presence by building or expanding facilities around the world and successfully implementing continuous improvement initiatives
- We accelerated the next step in our integration process while maintaining high employee engagement and customer satisfaction throughout
- We prioritized climate actions to meet long-term science-based targets and demand for lower-carbon food and beverage solutions
- We accelerated, and were awarded for, the use of advanced digital technologies for food and beverage research and innovation. These include machine learning and artificial intelligence for fermentation, lab automation, and receptor technologies



Our markets

With our global presence in all major regions and our synergistic, on-trend, broad portfolio predicated on taste, texture, and health, we support our customers in all food and beverage markets: beverages, dairy, baked goods and confectionery, savory, petfood, and plant-based. In these markets and regions, we work with a variety of customers, such as global key accounts, distributors, regional players, private labels, food services, and start-ups.

Key market trends

The global food and beverage market is growing at a compound annual growth rate (CAGR) of 2.4%. This diverse market is built on local tastes and traditions, with global, regional, and local players. In 2024, it was shaped by these trends:

- Health as a key consumer need – with a focus on reduced sugar, salt, and fat, and on increased protein content, nutritional value, and health benefits (although taste remains the key driver in purchasing decisions)
- Alongside new products, food industry players are focusing on reformulating and optimizing recipes to respond to fluctuations in the market for raw materials
- Two-thirds of projected volume growth over the next five years will be attributable to Asia-Pacific, the Middle East and Africa
- Regulations focus on food safety, health, and sustainability – the latter supported by growing consumer concerns about climate

With our two divisions and the synergy between them, and the fundamental understanding of our products and their application, we combine a unique ability to co-create Taste solutions with the optimal Food and Beverage matrix.

Performance

TTH delivered a very strong performance with 9% volume growth, with both Taste and Ingredients Solutions contributing equally. The strong demand was driven predominantly by regional and local accounts, which was also partly bolstered by a catch-up effect after destocking last year. Sales synergies saw good momentum, through cross-selling, concept-selling and capability-sharing, resulting in a steadily growing pipeline in line with our mid-term ambitions.

Throughout the year, the business created new concepts which were successfully launched across multiple platforms, driven by strong interest from customers.

The yeast extracts business was sold to Lesaffre in October 2024. TTH will continue to supply yeast extracts to Lesaffre under a co-manufacturing agreement until the end of 2025.

Adjusted EBITDA was up 11%, driven by strong volume growth and the contribution from the synergies, resulting in an Adjusted EBITDA margin of 19%.

Key performance figures

x € million	2024	Pro forma 2023 ¹
Sales	3,245	3,038
Organic sales growth (in %)	8	
Adjusted EBITDA	615	556
Adjusted EBITDA margin (in %)	19.0	18.3

¹ Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.



"2024 was an exciting year for us. We grew our two divisions, Taste and Ingredient Solutions, above the market rate and maintained our focus on achieving our synergy targets. We

unveiled our new strategy during Capital Markets Day, when we announced the sale of our yeast extracts business and accelerated the next step in our integration and transformation process."

Patrick Niels, Business Unit President, Taste, Texture & Health



The year in review

In 2024, we worked closely with customers to positively impact the daily lives of millions of consumers worldwide by creating foods and beverages that are healthier, more delicious, and better for People and Planet.

Strategic priorities

In June 2024, during our Capital Markets Day, we presented our 'TTH Strategic Priorities '28' outlining our focus on high-growth, high-margin product groups and how we aim to outpace the market by growing our divisions and leveraging merger synergies. The divestment of our yeast extracts business, with annual sales of about €120 million, to Lesaffre was a direct result of our strategic review. The divestment was completed on 1 October 2024.

Investment in facilities

To maintain market leadership and grow with our customers, we continued to invest in our regional presence. Key 2024 updates include:

- Constructing new facilities in Karawang (Indonesia) to increase capacity and invest in the latest technologies to meet increasing demand for flavors. The facility is expected to be operational in 2026
- Expanding our VKL Seasoning plant in Kerala (India) to contribute to expected growth in the Indian food industry, by developing sustainable seasonal and flavor solutions. Completion is due in 2025

- Opening a new research center in San Diego (USA) equipped with receptor technologies to unravel taste perception, sensory characteristics and consumer preference
- Making great progress with the construction of our state-of-the-art TTH headquarters and application laboratories at the Biotech Campus Delft (Netherlands) which is expected to be operational by mid-2025

Merger synergies

We made significant progress to achieve €300 million in synergy sales through cross-selling, concept selling and joint capability sharing, per our mid-term strategic ambitions. Throughout the year, teams created new joint concepts and successfully launched several new products across multiple platforms and saw a lively collaboration with customers:

- In plant-based solutions for dairy applications, we developed a market-ready solution for oat and soy drinks that combines a gellan gum texturing agent to improve the mouthfeel and a new solution to achieve an authentic dairy taste
- In Savory, the business created a plant-based tuna sandwich filling. While many plant-based alternatives exist, there are few plant-based fish options at a time when overfishing is a consumer concern. We brought together our deep expertise in proteins, texture, taste and nutritional value: Vertis™ proteins to ensure the bite and texture of real fish. Color solutions for a natural appearance. Culinary top notes and yeast extracts to provide authentic tuna flavor. With omega-3 fatty acids, normally

found in oily fish, using our algae-derived *life's®OMEGA*

- In Beverages, marketing teams, flavorists and application specialists collaborated, leading to more wins at a leading Asian beverages company. From vitamin juice drinks to a new premium range with rich flavors and health benefits, the customer adopted new citrus flavors and mouthfeel enhancers, including a new orange flavor with a fresh, peely, juicy, sweet, green profile
- In Nigeria, the teams developed a new formula for the customer's flagship energy drink combining flavors, colors, vitamin premixes, modulators, and sweeteners
- In Europe, teams helped a global coffee leader with solutions with Flexarome® Almond Vanilla flavor technology and NutriGEM® V (B6) vitamins to achieve a superior and consistent product taste
- In Dairy, a renowned US dairy company launched new fruit-flavored low-sugar yogurts in different formats that combine TasteGEM® and TastePRINT® flavor solutions together with stevia sweeteners and enzymes. Teams also developed the final formula featuring TasteGEM® and Gellaneer® for avocado and oat flavored yogurts for a leading Chinese dairy producer

Fine-tuning our organization

While we will retain our Taste and Ingredient Solutions divisions, we bring one voice to our customer through our regions led by newly appointed TTH regional heads. These heads are responsible for executing our Taste and Ingredient Solution strategy and will not only mean customers can utilize our combined capabilities, but also ensure we capture new

synergies together. We will accelerate and prioritize incoming briefs and commercial opportunities – looking through the lens of our joint portfolio and application capabilities.

Having continued to invest in people in 2024, we are pleased that 80% of TTH employees reported high engagement in our Employee Engagement Survey, even during times of change. We are also happy that a majority of customers experienced a positive impact of the merger. Through the Net Promoter Score (NPS) survey, customers expressed a high interest in our integrated solutions, such as flavor and premix blends, as well as sugar reduction and plant-based solutions. Most customers indicated that doing business with dsm-firmenich was flawless after the merger.

Production

We saw increased demand thanks to our outstanding portfolio of food and beverage solutions, strong customer interest in synergies and new concepts, and positive developments in the market. We continuously improved our plants and carried out targeted investments. This resulted in production records in most plants around the world, while our safety and quality performance both improved.

Investing in the future of flavor and taste

In January 2024, we welcomed the inaugural class to our revamped Flavorist school. Drawing on more than 100 years of history, school is dedicated to improving both the art and the science of flavor development. dsm-firmenich's commitment to sustainability helps to ensure that graduates will not only innovate in taste but also promote eco-friendly solutions.



Sustainability, innovation, and partnerships

Sustainability

In 2024, TTH prioritized climate actions to meet our long-term Science Based Targets (SBTs), as well as customer demand for lower-carbon food and beverage solutions.

To help us achieve our near-term climate goals and long-term net-zero ambitions, we carried out an assessment of TTH's total carbon footprint, including Scope 1, 2 & 3.1 emissions. We also developed a reduction pathway to address all impacts, taking into account business growth of 35-40% by 2030 compared to the 2021 baseline. In the coming years, we will focus on implementing this reduction path by continuing to invest in more sustainable practices and innovations.

We also reached an important sustainability milestone for EverSweet®, the first commercial product from Avansya, a 50/50 joint venture between dsm-firmenich and Cargill. A new life cycle assessment shows that, compared to sugar, EverSweet® stevia sweetener enables:

- 81% lower carbon footprint
- 96% less impact on land use
- 97% less water use

Combining the best-tasting stevia with impressive sustainability features, EverSweet® enables a significant reduction in sugars without sacrificing high-quality sweet taste. Earlier in 2024, EverSweet® stevia sweetener received a positive safety opinion from European and UK safety agencies.

Innovation

Developing new food and beverage solutions increasingly depends on the effective use of advanced digital technologies, machine learning and AI for fermentation, laboratory automation, and receptor technologies. In 2023, Taste and Ingredient Solutions launched joint research programs in sugar reduction and plant-based products. In 2024, we strengthened efforts to exploit cross-divisional innovation opportunities and expanded the scope of these programs to all TTH segments.

A good example of cross-divisional innovation is our new alcohol taste solutions, which provide a multi-sensory, believable alcohol perception for low- and non-alcoholic beverages. These solutions create a potentially cost-saving scenario for both producers and consumers by reducing costs associated with taxes and raw materials.

In 2024, at the world's largest annual food and beverage tradeshow, Gulfood Manufacturing, we won the Digital Transformation Innovation of the Decade Award for Delvo®ONE. Our Delvo®ONE portfolio of all-in-one functional cultures for fermented milk products not only simplifies culture selection through AI-driven technology, but also optimizes taste, texture, and shelf life, delivering enhanced sensory and functional benefits for dairy producers.

Partnerships

Yili Group

In 2023, we signed an agreement with Chinese dairy producer Yili Group to cooperate in research, innovation, and sustainability. In 2024, we followed this by signing a Global Strategic Cooperation Memorandum specifically for our Taste division, focused on taste innovations in dairy and health. In the highly competitive Chinese market, our combined capabilities are particularly attractive to Yili.

ArtSci Biology Technologies Co., Ltd

We acquired the outstanding minority shareholding in ArtSci Biology Technologies Co., Ltd ('ArtSci'), taking our ownership to 100% in 2024. We have been partners with ArtSci since 2019, when we took a minority stake in the company, followed by a majority stake in 2022. ArtSci, founded in 2005, is a Chinese flavor company specializing in dairy and beverages, as well as baked goods and confectionery. This will further strengthen TTH's ability to serve the fast-growing Chinese local market and will expand TTH's geographic reach throughout China.



Health, Nutrition & Care

Health, Nutrition & Care (HNC) helps people improve their health by supplementing their diet with critical nutrients. Working across segments like Early Life Nutrition, Dietary Supplements, Pharmaceuticals, Medical Nutrition, and Biomedical materials, we drive nutrition science and medical innovation forward, optimizing immunity, accelerating recovery, and enhancing quality of life.

At HNC, we elevate global patient and consumer health at every life stage by creating and delivering next-generation products, customized solutions, and expert services. As an end-to-end partner, we work closely with our customers from product conception to launch, providing unique consumer insights, a broad portfolio of nutritional ingredients, and innovative solutions. This year, we added an array of delivery systems and masking and flavor capabilities to support solutions specifically for our market applications.

Think combining evidence-based, synergistic hero ingredients with convenient and unique formats such as powders, gummies, and gels. Or accelerating product launches with our regulatory affairs and formulation expertise. Or again, elevating the user experience with cutting-edge sensory technologies that tackle off-notes and build appealing flavor profiles. That is how we work, delivering more effective solutions that meet the ever-evolving needs of patients and consumers worldwide.

Highlights

- In 2024, we delivered +1% organic sales growth. The reported Adjusted EBITDA was down 5% from the previous year
- With new regulatory approvals in place, we grew our HMO portfolio and announced a groundbreaking partnership with Lallemand to drive synergistic symbiotic solutions for Early Life Nutrition
- We accelerated our strategic portfolio transformation from fish oil to our proprietary and highly sustainable algal-based omega-3s
- We significantly expanded our 'Health from the Gut' leadership solutions with several new launches in prebiotics, probiotics, and postbiotics
- We achieved several industry approvals and strategic launches, addressing key global consumer trends and needs with innovative solutions and market-specific approaches
- Our Biomedical business expanded its facilities on the basis of strong growth in recent years, while new application and development launches helped improve patient outcomes
- i-Health launched several innovative activities and new products that helped to build strong brand awareness and to address frequently overlooked health issues



Our markets

HNC offers solutions for a range of markets, including early life nutrition, dietary supplements, pharmaceuticals, medical nutrition, and biomedical materials. We address specific 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.

We serve these industries with a portfolio of high-quality vitamins, nutritional lipids, minerals, carotenoids, botanical nutraceuticals, digestive enzymes, postbiotics, probiotics and prebiotics (including human milk oligosaccharides (HMOs), active pharmaceutical ingredients (APIs), and a range of biomedical solutions.

Key market trends

- There is a gap of almost a decade between life span and health span – meaning that almost a decade of people’s lives is impacted by poor health
- Growing awareness around preventative and holistic approaches to health management (e.g., the interconnectedness of gut health, cognitive function, and overall well-being) is fueling demand for innovative self-care health products
- Consumers are seeking sustainable and evidence-based solutions; focusing on the environmental impact of producing ingredients, on which forms are better for them, and on how absorption of active ingredients impacts effectiveness
- Small, disruptive new brands, especially in the dietary supplements category, are enjoying strong growth

Performance

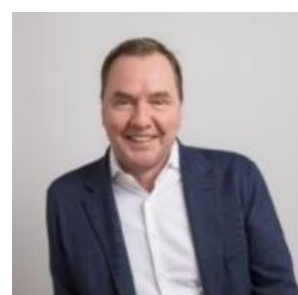
HNC delivered 2% volume growth during the year. Medical Nutrition, i-Health, and Biomedical performed well throughout the period. Dietary Supplements and Early Life Nutrition improved during the second half of the year, driving 5% volume growth in the period for the Business Unit, owing to good demand for algal omega-3 oils and Early Life Nutrition premix and HMOs.

The reported Adjusted EBITDA was down 5% from the previous year. Corrected for the negative foreign exchange effect and the divestment of the marine lipids activities (-10%), the underlying Adjusted EBITDA growth was up 5%.

Key performance figures

x € million	2024	Pro forma 2023 ¹
Sales	2,214	2,270
Organic sales growth (in %)	1	
Adjusted EBITDA	371	389
Adjusted EBITDA margin (in %)	16.8	17.1

1. Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.



“2024 was an exciting year of growth, consistently improved business performance, and bold strategic choices to elevate global health. We launched several new products

and format innovations – and achieved significant new regulatory approvals, while accelerating progress on our synergy journey with our expanded HNC Taste organization.”

Philip Eykerman, Business Unit President Health, Nutrition & Care



The year in review

Expanding our HMO portfolio

Following the approval of our 2FL and LnNT HMOs as infant formula ingredients in China in 2023, major infant formula players have been introducing our ingredients in their formulas and are awaiting final consumer product approval by the Chinese authorities. We also continued to extend the portfolio with new HMO approvals in the UK and EU in 2024.

This development reflects a growing understanding of the potential benefits of HMOs in early life, infancy and beyond, and creates unprecedented opportunities for tailored nutrition solutions.

In April 2024, we announced our partnership with probiotics pioneers Lallemand Health Solutions to launch a range of new synergistic symbiotic solutions. These will combine HMOs and probiotics to benefit infant health by enabling a microbiome closer to that of breast-fed infants, thereby supporting immune system functionality and optimal developmental trajectories.

Accelerating the algal shift

In October 2024, we transferred the majority of our MEG-3® fish oil business to KD Pharma Group. This allows us to focus on growing our algal omega-3 *life's®OMEGA* portfolio, which is backed by our world-leading IP, scientifically-proven nutritional equivalency to fish oil,

secured supply, and sustainability data. In 2024, *life's®OMEGA* O3O2O – the first algal-based lipid with high EPA content – became available in the EU and USA for use in the category 'Food for Special Medical Purposes', and we launched a variety of *life's®OMEGA* products tailored to the requirements of individual customers.

Improving 'Health from the Gut'

Our Humiome® portfolio supports gut health with a range of powerful prebiotics, probiotics, and postbiotics. In 2024, we launched:

- Humiome® B2 MTT a first-of-its-kind 'biotic' with patented Microbiome Targeted Technology™, delivering 90% of vitamin B2 directly to the gut microbiome in the colon
- Humiome® *B. lactis* with probiotics – the [most documented](#) *Bifidobacterium* in the world, with strong clinical proof of improving digestive tract health and immune function, and supporting healthy aging

Bringing progress to life across our segments

Within our Dietary Supplements business, we expanded our 'Health from the Gut' platform and launched our partnership with Indena, broadening our portfolio with science-backed botanicals.

Strong regional successes included approval from European regulatory body EFSA for ampli-D®, our faster, more effective form of vitamin D, and the roll-out of two global carotenoids in China and Asia-Pacific. Rising demand for medical nutrition products means tackling poor palatability and consequential low compliance is critical. To achieve this, we introduced targeted solutions to significantly elevate the

consumer experience and support adherence to nutritional care plans. These solutions included the taste-masking of amino-acids, omega-3s, and plant-based proteins, as well as novel protein delivery formats.

In Nutrition Improvement, we launched our powerful '[Making Hidden Hunger SEEN](#)' campaign with a hugely successful webinar. We also became the first company on the African continent to achieve 36 months of stability data with [UNIMAP MMS](#). Through our [Millers 4 Nutrition](#) collaboration, we additionally helped to achieve increased compliance in the production of fortified flour in Kenya and Nigeria and to accelerate consumer access to adequately fortified flour.

Healthy growth in Biomedical

Our Biomedical business again delivered strong results. In February, we started expanding our facilities and digital infrastructure to enable us to improve our offer during 2025, while new application and development launches across product lines helped improve patient outcomes.

Biomedical launched several new portfolio innovations and extensions in 2024, including new fiber product lines in the Ulteeva Purity™ family – the gold standard in medical orthopedic and vascular applications. In the field of natural materials, we expanded our global market share of naturally derived regenerative materials for supporting wound care and reconstructive surgery. This was driven by growth in applications for sports medicine, led by Asia-Pacific.

i-Health performance fueled by North America

i-Health, our direct-to-consumer business, grew in North America, fueled by Amazon and the Medical Channel across brands. Key US launches included the AZO® Urinary and Vaginal infection test kit and the Amazon launch of Lactéol® diarrhEase™, a postbiotic for natural recovery from diarrhea.

Culturelle® achieved double-digit growth in US hospitals and long-term care facilities as well as on Amazon, and continued to gain market share in Canada, Brazil, and Turkey, driven by health-care professionals (HCP) recommendations and consumer marketing investments. Meanwhile, our AZO® and Estroven® brands grew across all channels thanks to increasing consumer interest and category momentum in women's health.



Sustainability, innovation, and partnerships

Sustainability

In 2024, we strengthened our management of Global Key Accounts, positioning HNC as a strategic partner to help our customers achieve their Scope 3 targets through leveraging our strong emission reduction commitments.

Sustainability is now fully integrated into our HNC experts' services, reflecting our customers' growing commitment and showcasing our strong expertise. We transparently communicate the environmental footprint and other sustainability features of our solutions through our [Sustainability Imp'Act Card™](#), now covering 100% of core HNC straight ingredients.

We also launched onsite [Climate Fresk](#) workshops for employees, raising awareness about climate change and activating collective intelligence within the organization.

Innovation

We defined key strategic innovation priorities based on consumer trends and needs across all business segments.

These include providing novel ingredient solutions as well as novel premix and market-ready solutions that deliver nutritional support in segments such as gut health, healthy aging, and women's health. In 2024, we accelerated the shift from fish oil to algal sources with the launch of our *life's*®*OMEGA* portfolio, led the market in infant nutrition innovation in HMOs, and significantly expanded our Humiome® gut health portfolio.

Other notable innovation achievements included:

- VAP 250, a new form of dry vitamin A – as a stable, clean-label solution for combating malnutrition and widespread nutrient deficiency through flour fortification
- CBtru™, a premium formulated CBD drug intermediate and patented solution enhancing patient compliance, increasing API loading and optimizing bioavailability for superior therapeutic outcomes
- The launch in Japan's pharmaceutical market of Sprinkle It Technology™ (SIT™), our patented multi-layered micronutrient granules designed to address nutritional insufficiencies among seniors, in support of healthy aging

Partnerships

HNC is committed to tackling major global challenges in human health and nutrition, but real progress requires strong partners with a shared mission. We are working closely with the Bill & Melinda Gates Foundation and the World Food Programme, among other partners, to combat hunger and malnutrition in some of the world's most vulnerable populations, including children and pregnant women. Read more about dsm-firmenich's partnerships [here](#).

By sharing our knowledge and expertise, we are making progress toward our shared goal of benefiting as many people as possible with cost-effective large-scale food fortification (LSFF) – tackling malnutrition via the provision of essential, high-quality, and affordable micronutrients incorporated into the most widely consumed staple foods.



Animal Nutrition & Health

Animal Nutrition & Health (ANH) helps to deliver healthy animal proteins efficiently, while harnessing the power of data to make animal farming practices more sustainable, productive, and transparent.

Our global team of over 6,000 talented people is spread across more than 60 countries, delivering annual revenues of over €3.3 billion. Our pioneering spirit and rich heritage have delivered many groundbreaking nutritional innovations including vitamins, carotenoids, feed enzymes, eubiotics, mycotoxin deactivators, and AI for livestock management.

We are a leading provider of vitamins, advanced feed additives (Performance Solutions), and premixes, empowered by cutting-edge AI-driven Precision Services. We enhance livestock health and performance, improve feed efficiency and safety, reduce emissions and antibiotic use, and enable data-driven decision-making. Our solutions help animal farmers face a range of challenges in meeting growing global demand for healthy and sustainable proteins, including:

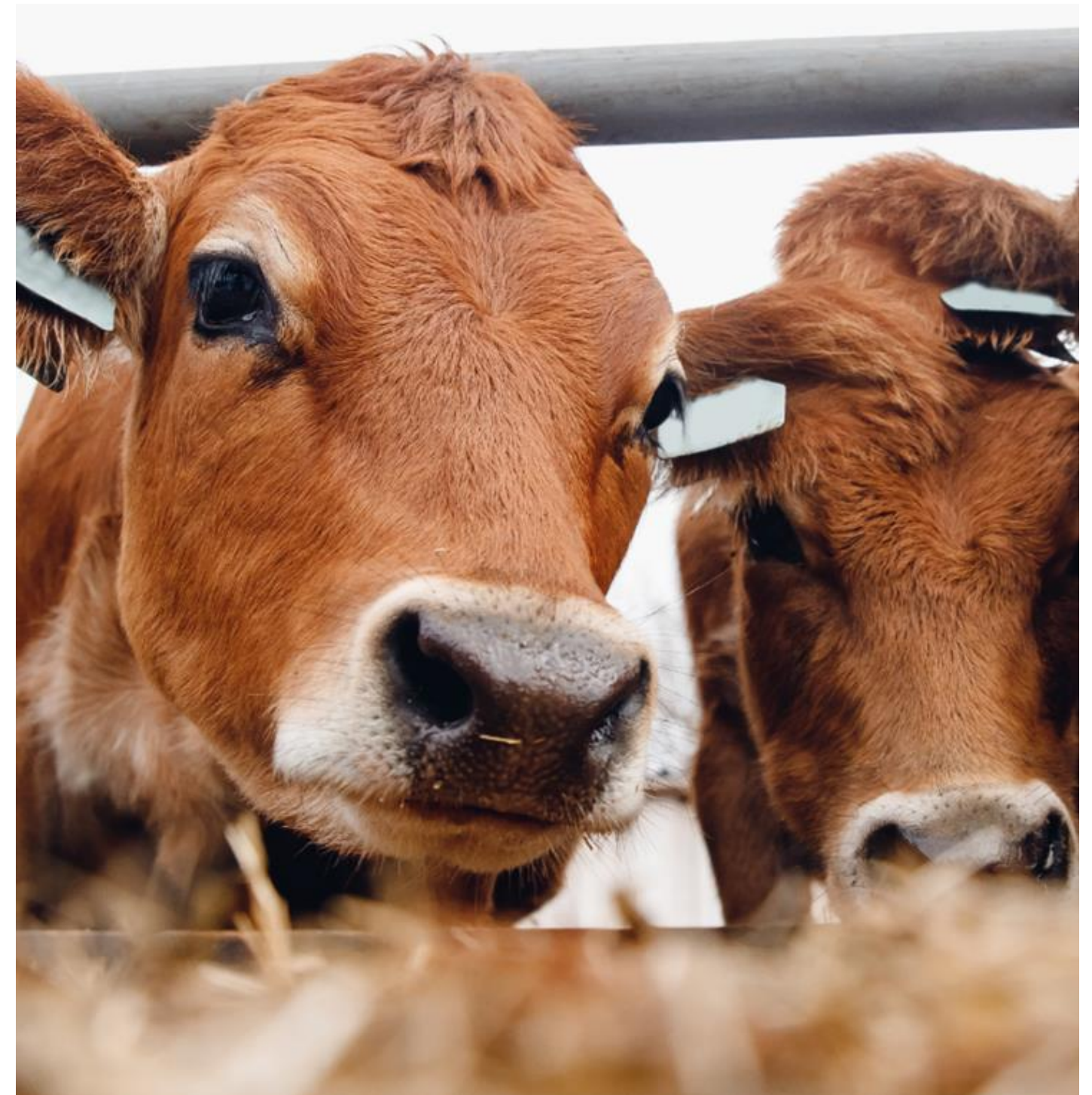
- The need for increased productivity and cost efficiency to support their incomes and offset the effects of food inflation
- Concerns about the environment and increasing pressures on it
- The use of antibiotics and the dangers posed by antimicrobial resistance (AMR)
- The need for expertise and data analytics to leverage data to address these challenges

The composition of nutrition and feed also impacts animal health, productivity, and environmental footprint, but advances in precision nutrition, innovative feed additives, and farm data analytics offer new ways to tackle these complex, interconnected issues.

In 2024, it was recognized that our ANH business would thrive better under different ownership. This led to the announcement in February 2024 to separate our Business Unit from the Group.

Highlights

- In 2024, we delivered +5% organic sales growth, with Adjusted EBITDA up significantly from the previous year
- Preparations for the carve-out of our ANH business advanced well
- Continued strong growth of innovation sales in Performance solutions and Precision Services, with new strategic customer agreements strengthening our competitive edge
- Our vitamin business delivered a step-up in profitability, clearly showing its resilience
- The inauguration of two new premix plants in Egypt and Brazil marked a milestone toward growth
- New partnerships established in the ecosystem of Sustell™ included Deloitte, IFC, and feed formulation software providers
- Veramaris® doubled production volumes, becoming a viable alternative to fish oil



Our markets

ANH's key market segments are poultry, swine, ruminants, and aquaculture. With a highly synergistic portfolio, we serve the entire animal protein value chain: feed millers, farmers, and integrators. In addition, we have created an ecosystem of strategic partnerships to make environmental foot-printing easy and rewarding for the entire animal protein value chain, including farmers, processors, investors, feed millers, and retailers.

Key market trends

Poultry market conditions remained positive in 2024, with lower feed costs and firm demand supporting higher supply. The pork industry continues to face significant pressure, with animal protein demand in China remaining weak. The ruminant business saw good growth due to higher beef exports from Latin America. In addition, in the fourth quarter, the vitamin business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market, especially impacting the contract price for vitamins A and E in the fourth quarter.



"2024 was an outstanding year. I am very proud of our performance and the exceptional commitment of the team that lives our vision every day. We stepped up profitability

in vitamins and continued the strong growth of our innovation sales, while preparing for the carve-out and separation of ANH."

**Ivo Lansbergen, Business Unit President
Animal Nutrition & Health**

Performance

ANH delivered a strongly improved performance versus the previous year with 5% organic sales growth, with 3% volume growth and prices up 2%.

Performance Solutions delivered strong results throughout the year, especially in mycotoxin risk management products, which are now offered together with Precision Service complementary offerings through the premix network. Bovaer® and Veramaris® had an excellent year. In the second half of the year, demand for Essential Products increased as farmer economics improved and vitamin profitability started to normalize, highlighting the quality of the underlying business. In addition, in the fourth quarter the business benefited from the additional temporary vitamin price effect from vitamins A and E related to a supply disruption in the vitamin market.

Adjusted EBITDA was up significantly from the previous year, owing to good organic sales growth, the contributions from the vitamin transformation program, and the temporary vitamin price effect in the fourth quarter.

Key performance figures

x € million	2024	Pro forma 2023 ¹
Sales	3,324	3,227
Organic sales growth (in %)	5	
Adjusted EBITDA	343	128
Adjusted EBITDA margin (in %)	10.3	4.0

1. Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.



The year in review

Step-up in profitability of vitamins

Our vitamin business saw a continued improvement, reflected both in customer demand and normalization of profitability. The vitamin transformation program, launched in mid-2023, was implemented according to plan, with the cost of goods reduced, savings delivered, and inventory optimized. We were simultaneously able to further improve our industry-leading performance in quality and safety, health & environment (SHE). In addition, in the fourth quarter, our business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market. This especially affected vitamins A and E during the fourth quarter.

Continued strong growth of innovation sales

We further strengthened our position as an innovation leader in precision nutrition by expanding and combining our portfolio of Performance Solutions (advanced feed additives) and Precision Services (AI-driven farm data analytics).

This unique combined offering led to several strategic customer agreements, including those with industry-leading players such as Conforto Farm, Bounty Fresh Group, and Charoen Pokphand Foods. Through these novel agreements, we further empower customers to proactively reduce their environmental footprint and enhance their profitability. This involves leveraging the advanced analytics and intelligence of Sustell™, FarmTell™, and Verax™, while upselling advanced feed additives, vitamins, and premixes.

Sales of ANH innovations grew across the portfolio, with outstanding market penetration from Mycofix® and Hy-D®. In addition, we strengthened our position as an innovation leader by launching important Precision Services and Performance Solutions (see [Innovation](#) on the following page).

Enhancing future growth and global reach

The inauguration of two new premix plants represented important milestones pointing to further progress and growth.

Our new plant in Sete Lagoas in the State of Minas Gerais (Brazil) will produce supplements to support the nutrition and health of beef and dairy cattle, underscoring the importance of Brazil's agribusiness.

Our new plant in Sadat City (Egypt) will serve customers in Egypt, the wider Middle East, Southern Europe, and Africa. It reflects our commitment to meeting the increasing demand from mid-range and large livestock farms and feed millers for premixes and innovative feed additives.

The power of the past is the force of the future

While our running business grew during 2024, preparations for the carve-out reached an advanced stage. This puts ANH in a position to unleash further growth under new ownership, with a fully customer- and innovation-focused set-up and a fit-for-purpose organization.

As a global market leader in vitamins and advanced feed additives, an innovation leader in precision nutrition, and also benefiting from a unique scientific heritage, ANH is well positioned to take its business to the next level.



Sustainability, innovation, and partnerships

Sustainability

To meet growing demand for animal protein while reducing the environmental impact of farming innovative, science-based solutions are of vital importance. Our strategic approach tackles this challenge through six sustainability and business platforms that are key to the animal protein industries and aligned with the UN Sustainable Development Goals (SDGs):

- Improving the lifetime performance of farm animals
- Making efficient use of natural resources
- Reducing emissions from livestock
- Helping tackle antimicrobial resistance
- Reducing our reliance on marine resources
- Improving the nutritional quality of meat, milk, fish, and eggs while reducing food loss and waste

Sustell™, our leading life-cycle assessment platform (LCA) for animal protein, further grew its ecosystem of partners along the value chain and is now widely recognized as the leading solution for full environmental foot printing of animal protein. Sustell™ provides our customers with data and expertise to unlock the value of sustainability, improve operations, and meet increasingly stringent sustainability reporting requirements.

In 2024, our ANH Science & Research team was invited to the UN meeting on Antimicrobial Resistance (AMR), resulting in a declaration to fight AMR. Our eubiotics portfolio, OVN Optimum Vitamin Nutrition®, and Verax™ all have important roles to play in this ongoing effort.

Bovaer®, our solution for methane emissions reduction in dairy cows and beef cattle, is now available in more than 65 countries and has saved an estimated 215,000 tons of CO₂e.

Veramaris® (the trademark is owned by Veramaris V.O.F.), our algal oil and alternative source of Omega-3 EPA and DHA for aquafeed, doubled production volumes becoming a viable alternative to fish oil, secured Canadian authorization and joined the consortium of the Dutch retail giant Albert Heijn to promote sustainable seafood.

Innovation

We further strengthened our position as an innovation leader in our industry with our Precision Services and Performance Solutions. This involved the launch of additions to our portfolio as well as the continued development of existing offerings.

- Sustell™ expanded into the beef and shrimp industries with modules to meet their respective environmental foot printing needs
- FarmTell™, our complete software suite for data-driven decision-making, added its first AI for livestock management, using Lore™'s cutting-edge technology platform
- In Europe, we launched three advanced feed additives: ProAct 360™, our new enzyme technology developed jointly with Novozymes to drive feed efficiency; Hy-D®, our specific vitamin D3 metabolite to provide animals with a fast track to a strong skeleton and better performance; and HiPhorius™, our complete phytase to enable precision nutrition, improve animal performance, reduce feed costs, and

minimize environmental impact. On 11 February 2025, dsm-firmenich announced the sale of its stake in the Feed Enzymes Alliance to its equal partner Novonesis, a global leader in biosolutions, for €1.5 billion

- FUMzyme® sol, the only enzyme designed to target fumonisin mycotoxins, was launched for use in distiller dried grains
- Our Verax™ DBS analytics tool offers users an easy-to-use, non-invasive way to assess vitamin D3 status

Partnerships

In 2024, we continued to grow the partner ecosystem of Sustell™, enabling value creation for all players and their partners across the animal protein value chain.

By partnering with Deloitte, we are leveraging Deloitte's GenAI solution to unlock new ways of enhancing food sustainability and value creation – from feed to farm to fork.

Our collaboration with IFC (member of the World Bank Group) demonstrates how banks can use Sustell™ to identify and manage financed emissions in the agriculture and food sectors.

The integration of Sustell™ in Format Solutions' top-tier feed formulation software, such as the BESTMIX® software suite from BESTMIX Software, permits the easy leveraging of existing data and assists feed producers in addressing future feed labelling demands. At the same time, it helps farmers to accurately quantify the environmental impact of products such as eggs, meat, milk, and farmed seafood.



Corporate activities

Any consolidated activities within continuing operations that are outside the four Business Units are reported as corporate activities. These comprise operating and service activities, as well as a number of costs that cannot be allocated directly to the Business Units. While this segment reports net sales to third parties from its service units, it normally has a negative operating result.

Corporate activities include various holding companies, regional holdings, and corporate overheads. The most significant cost elements are corporate departments and the share-based compensation for the company.

Insurances

We retain a limited part of our material damage, business interruption, (product) liability, and other risks via captive insurance companies. In 2024, the total retained damages were €29 million (2023: €25 million).

Corporate research

We invest in a number of disruptive technology platforms, managed by our Senior Science Fellows, through which we aim to create greater differentiation in the long-term. These investments underpin early-stage innovation projects co-funded with the relevant business. They follow the principles of co-leadership, milestone-based funding, and assumption-based working, to provide market-ready scientific breakthroughs in the future.

Share-based payments

Corporate executives participate in a Long-Term Incentive (LTI) scheme, which links their compensation to the long-term interests of our stakeholders. It is also a vehicle for attracting and retaining the talent we require in order to thrive as a company. For more information, see [Note 27 Share-based compensation](#) to the Consolidated Financial Statements.

Our performance

x € million	2024	Pro forma 2023 ¹
Sales	52	66
Adjusted EBITDA	(93)	(79)

¹ Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations



Financial performance

2024 at a glance

Compared to 2023 on a pro forma basis:

- 2024 sales up 4% versus 2023, organic sales up 6%
- Adjusted EBITDA 19% up versus 2023
- Adjusted EBITDA margin 16.5% in 2024
- Adjusted Gross Operating Free Cash Flow €1,552 million (versus €999 million in 2023), with Sales to cash conversion 12.1%
- €849 million Core Adjusted Net Profit, up 53% versus 2023
- €280 million Net profit (total Group)
- 0.94 Net EPS (total Group)

Delivering on our commitments

The challenging macro-economic environment we navigated in 2023 led us to accelerate some of our actions to drive profit improvement and cost reductions and advance the strategic portfolio review in 2024.

We accelerated our merger synergies and vitamin program, which delivered a €200 million Adjusted EBITDA contribution. We announced the separation of Animal Nutrition & Health, and we made good progress with the tuning of our portfolio with the sale of marine lipids, yeast extracts, and our minority stake in Robertet. Business conditions markedly improved during the year, reflected in strong volumes. We delivered strongly improved

financial results and we were also successful in substantially improving our cash flow ahead of our mid-term target.

Delivering synergies

In 2024, we completed our merger and began delivering the targeted synergies. At our Capital Markets Day in June 2024, we confirmed we are on track to deliver around €500 million sales synergies and approximately €350 million Adjusted EBITDA in the mid-term.

Around half of the €350 million Adjusted EBITDA contribution is expected to come from cost efficiencies. The other half is expected from the incremental revenues of €500 million realized in all three Business Units of the Group's new scope: 60% in TTH, 25% in HNC and 15% in P&B.

Since the merger, the company has realized over €120 million contribution to Adjusted EBITDA from synergies. In 2025, the company expects to realize a further contribution of around €100 million to Adjusted EBITDA.

Vitamin transformation program

Mid-2023, the company launched a program to reduce costs and restore profitability in its vitamin activities, expected to generate an estimated contribution to Adjusted EBITDA of around €200 million. These savings are

incremental to the €350 million Adjusted EBITDA target from synergies.

In 2024, the vitamin transformation program contributed around €100 million to Adjusted EBITDA. In 2025, the company expects to realize the remaining contribution of around €100 million to Adjusted EBITDA.

Separation of Animal Nutrition & Health from the Group

In February 2024, dsm-firmenich announced its intention to separate the Animal Nutrition & Health business from the company having concluded a different ownership structure would best realize its full potential. Furthermore, through this process, the company would reduce its exposure to vitamins earnings volatility and its capital intensity, in line with its long-term strategy.



"We are focused on creating substantial value and have taken tangible action to meet our cost synergy ambitions. In addition, a robust pipeline of revenue synergies is in place, creating the conditions for strong growth ahead. This makes us confident about reaching our mid-term targets."

Ralf Schmeitz, Chief Financial Officer



Financial results

Perfumery & Beauty and Taste, Texture & Health recorded a very strong performance. Better business conditions led to a solid performance of Health, Nutrition & Care through the second half of the year. Animal Nutrition & Health delivered a significant step-up in financial results.

Business conditions markedly improved during the year. Perfumery & Beauty and Taste, Texture & Health saw very strong demand throughout the year. Health, Nutrition & Care saw business momentum improving in the second half of the year with demand for Dietary Supplements and Early Life Nutrition picking up. Animal Nutrition & Health delivered a strong performance owing to continued strong demand for Performance Solutions throughout the year, together with the normalization of vitamin profitability during the second half of the year.

In addition, in Q4 the business benefited from the additional temporary vitamin price effect related to a supply disruption in the vitamin market.

Adjusted EBITDA was up 19% owing to the good organic sales growth, and the contributions from the synergies, the vitamin transformation program and the temporary vitamin price effect in Q4. The Adjusted EBITDA includes a negative foreign exchange effect estimated at €50 million.

In 2024, synergies contributed around €105 million to Adjusted EBITDA, predominantly cost-led. The revenues from the sales synergies accounted for about €50 million in 2024. In 2025, the company expects an additional €100 million Adjusted EBITDA contribution from cost and sales synergies.

Adjusted gross operating free cash flow amounted to €1,552 million, up 55% from the prior period, driven by Adjusted EBITDA growth and operating working capital discipline.

Income statement and key data

x € million	2024	Pro forma 2023 ¹	Change
Continuing operations			
Sales	12,799	12,310	4%
Adjusted EBITDA	2,118	1,777	19%
Adjusted operating profit	926	666	39%
Operating profit (loss)	561	(173)	-424%
Net profit (loss)	280	(321)	-187%
Adjusted net profit	601	365	65%
Core adjusted net profit	849	555	53%
Adjusted gross operating free cash flow	1,552	999	55%
Adjusted EBITDA margin (in %)	16.5	14.4	
Core adjusted ROCE (in %)	7.6	5.2	

¹ Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.

Net sales and Adjusted EBITDA per Business Unit

x € million	Net sales			Adjusted EBITDA			Adjusted EBITDA margin	
	2024	Pro forma 2023 ¹	% change	2024	Pro forma 2023 ¹	% change	2024	Pro forma 2023 ¹
Perfumery & Beauty	3,964	3,709	7%	882	783	13%	22.3	21.1
Taste, Texture & Health	3,245	3,038	7%	615	556	11%	19.0	18.3
Health, Nutrition & Care	2,214	2,270	-2%	371	389	-5%	16.8	17.1
Animal Nutrition & Health	3,324	3,227	3%	343	128	168%	10.3	4.0
Corporate Activities	52	66	-21%	(93)	(79)	18%		
Total, continuing operations	12,799	12,310	4%	2,118	1,777	19%	16.5	14.4

¹ Represents the figures on a pro forma basis, including the Firmenich results as if the merger had occurred as of the beginning of the year. The pro forma figures represent the results from continuing operations.



Net profit

Adjusted net profit from continuing operations of €601 million was up by €411 million versus 2023. Besides the full-year effect of the former Firmenich, this was mainly attributable to improved business results. The net profit available to DSM-Firmenich AG's equity holders decreased by €1,887 million to €250 million.

This decrease was mainly a result of the net book profit of €2,796 million in 2023 on the sale of DSM Engineering Materials, partly offset by the lower Alternative performance measures (APM) adjustments of €505 million, due to lower acquisition and restructuring costs, as well as the aforementioned improved business results and full-year effect of the former Firmenich. As a result, net earnings per share from continuing operations increased to €0.94 in 2024 (2023: -€2.82), and for total dsm-firmenich it decreased to €0.94 (2023: €9.14), due to the book result on the sale of DSM Engineering Materials in 2023.

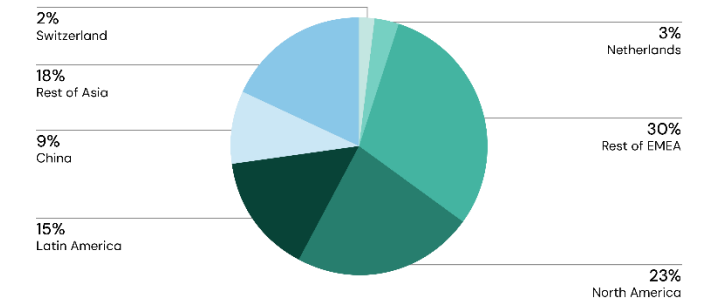
Financial income and expense decreased by €16 million year-on-year to a net expense of €134 million. This was mainly caused by the decrease of the exchange differences by €39 million, partly offset by the full-year effect of Firmenich.

The total effective tax rate over taxable result 2024 for continuing operations was 34.4% (2023: 2.8%); excluding APM adjustments, this was 24.1% (2023: 37.3%). This was mainly caused by the strong improvement of the financial results.

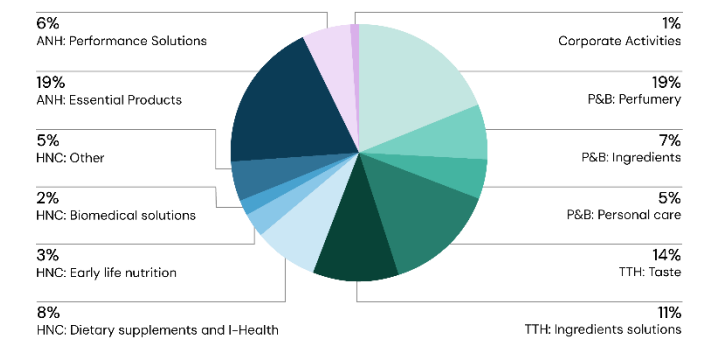
Adjustments in calculating our Alternative performance measures

Total adjustments from continuing operations for the full year amounted to a loss of €321 million (2023: a loss of €826 million), consisting of a loss in EBITDA of €127 million (including restructuring costs of €42 million and acquisition, divestment or integration costs of €42 million), impairments of €238 million (including relating to the divestment of the marine lipids business of €74 million and the yeast extract business of €73 million), financial expenses of €5 million, a related tax impact of -€45 million and other results relating to associates of -€4 million.

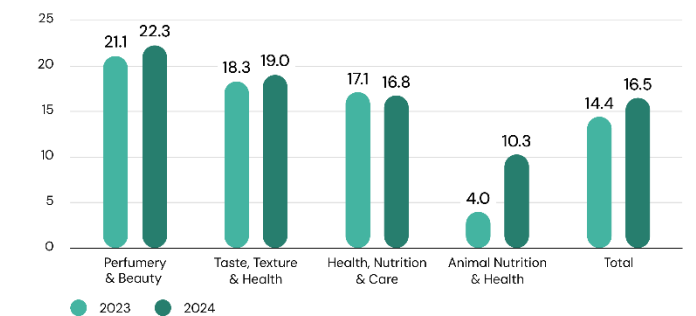
Sales by destination



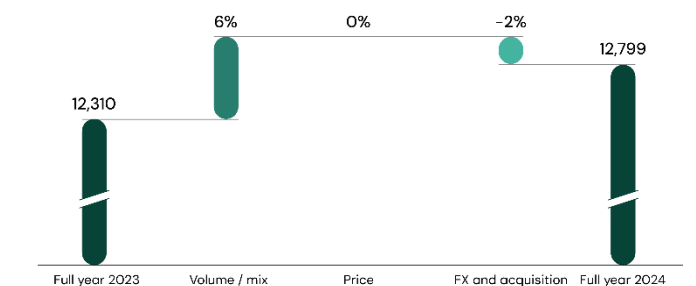
Sales by business segment



Adjusted EBITDA margin



Sales bridge 2024



Cash flow statement

Cash provided by operating activities of €1,782 million mainly consists of the EBITDA for the year (€1,991 million) and the change in working capital of €198 million, partly offset by the income tax payment of €275 million.

Overall, the full-year operating cash flow increased by €513 million. This was mainly caused by the improved EBITDA, due to the full-year effect of former Firmenich, and improved business results.

The cash used in investing activities consisted mainly of the capital expenditures (-€764 million), partly offset by the €397 million proceeds from disposals of other non-current assets, which was primarily caused by the divestment of the Robertet shares. The cash used in financing activities included the dividend paid (-€667 million), repayment of borrowings (-€623 million), and the repurchase of shares (-€706 million), partly offset by the issuance of a corporate bond (€800 million).

For the full cash flow statement, see the [Consolidated Financial Statements](#).

Cash flow statement

x € million	2024	2023
Cash and cash equivalents at 1 January	2,456	2,755
Cash provided by operating activities	1,778	1,265
Cash from / (used in) investing activities	(252)	(726)
Cash from / (used in) financing activities	(1,334)	(820)
Effect of exchange differences	19	(18)
Cash and cash equivalents at 31 December	2,667	2,456



Balance sheet

The balance sheet total (total assets) reached €33.7 billion at year-end (2023: €34.3 billion).

Equity decreased by €373 million, which was mainly caused by the dividend payments of –€667 million, offset partly by the net profit of €280 million. Equity as a percentage of total assets remained on 67%.

Capital expenditure on intangible assets and property, plant and equipment amounted to €830 million for continuing operations in 2024 (€764 million on a cash basis). Including new leases, the additions to intangible assets and property, plant and equipment was €1,010 million, which is around €130 million lower than the level of amortization, depreciation and impairments, excluding the impact of the purchase price allocation (PPA) of Firmenich.

Total working capital from continuing operations amounted to €2,734 million compared to €3,198 million at year-end 2023 (excluding the liability relating to the statutory buy-out of non-tendered shares of DSM N.V.). This represents 21.0% as a percentage of annualized fourth-quarter 2024 sales (2023: 25.7%). The decrease is mainly thanks to improved inventory management, together with increased payables (mainly employee- and tax-related). Cash-wise, the operating working capital (OWC) from continuing operations decreased by €41 million compared to last year. The OWC percentage decreased from 30.3% at year-end 2023 to 27.7% of annualized sales at year-end 2024 (mainly thanks to the improved inventory management). Cash and cash equivalents came to €2,667 million; including financial investments, this amounted to €2,717 million (2023: €2,563 million).

Balance sheet profile

	2024		2023	
	x € million	in %	x € million	in %
Goodwill and intangible assets	18,078	54	18,738	55
Property, plant and equipment	5,725	17	5,549	16
Other non-current assets	1,145	3	1,139	3
Cash and cash equivalents	2,667	8	2,456	7
Other current assets	6,132	18	6,388	19
Total assets	33,747	100	34,270	100
Equity	22,697	67	23,070	67
Provisions	164	–	176	1
Other non-current liabilities	6,603	20	6,539	19
Other current liabilities	4,283	13	4,485	13
Total equity and liabilities	33,747	100	34,270	100



A photograph of three elderly women laughing together outdoors. The woman on the left wears a yellow beret and a black and white patterned top. The woman in the center wears a yellow jacket, a black top, and a colorful beaded necklace. The woman on the right wears a pink and green striped top and has sunglasses on her head. They are all smiling and laughing, with their hands on each other's shoulders and faces. The background is a light-colored, textured wall.

Our Stories

Creating an award-winning fragrance with universal appeal

A Perfumery & Beauty story

The search for a stand-out concept

Burberry is a luxury prestige brand within the Coty group, one of the world's largest beauty companies. For its new pillar fragrance, Burberry was looking for a novel concept –

something truly iconic that could be the next blockbuster in fine fragrance. Burberry collaborated with our Principal Perfumer, Amandine Clerc-Marie, to create a fragrance evoking a vision of beauty and feminine power, inspired by the animal kingdom – a new olfactive journey that led to the creation of Burberry Goddess.

A universal archetype

Burberry is an iconic brand known for its blend of British elegance and modernity, so Amandine imagined a fragrance that combined the two, enhancing a woman's strength and confidence through its bold new signature. The project brief emphasized this idea of a powerful woman, fierce and feline. As such, the new fragrance was conceived as representing a strong archetype with which women could connect.

Burberry sought a meaningful symbol of desire and inner strength, a fragrance that revealed not only femininity, but also a woman's pride and power. Our master perfumer immediately linked this femininity to vanilla, one of the ingredients most loved by consumers, which was in line to become the most sought-after ingredient of the year.

Vanilla has many facets, from soft, round undertones to a more powerful, animalic olfaction. Amandine's vision of Burberry Goddess as a strong, emotional scent would be brought to life by this emblematic ingredient, using a unique combination of three different vanillas to showcase our expertise in quality, sourcing, and extraction.

A first in the market

Amandine found a luminous infusion with an animalic extract. This was the starting point for her olfactive building process. The creation started with the selection of materials and a desire to convey a distinct olfactory message:

female empowerment, strength, confidence, and sophistication with universal appeal.

After several months of development and around 400 formula combinations, the foundation began to take shape. The unique blend of the three vanillas produced an intense fragrance which, when combined with lavender, created a unique scent that was a first in the market.

The quest for the perfect vanilla accord

Vanilla is a sensual ingredient, soft and strong, conforming and untamable. To bring out these facets, Amandine used our world-class palette, sourcing expertise, and leadership in extraction techniques.

The first is Firgood® Vanilla, deployed for the first time ever in a fragrance and exclusively for Burberry. With our innovative Firgood® technology, we can extract the vanilla without any solvent, obtaining a sweet, rich and animalic note.

Highly sustainable Firgood® uses electromagnetic vibrations to capture the intrinsic water of precious raw materials. Amandine also used a vanilla infusion from Madagascar, which provides the brightest woody-vanilla possible and a luminous top note. The vanilla sourced from Madagascar has higher concentrations of flavor and is the gold standard for this ingredient.





“Vanilla offers a wide range of olfactive facets, from sweet and powdery to woody, spicy, or smoky, depending on the extraction method. Here, we crafted an enhanced vanilla, blending its many

facets with a high dosage of lavender – a bold, feminine twist on a traditionally masculine note, achieving a unique Burberry creation.”

Stéphane Demaison,
Vice-President Fragrance Olfactive
Development, Coty

Finally, Amandine finished with the darker and richer vanilla absolute, which gives the fragrance a mysterious and a milky facet. She also wrapped the precious vanilla with other ingredients, sourced from around the world, which coat it and contrast with it: lavender from the Provence, aromatic and powerful shiso leaf from Asia, ginger root from Nigeria, and cocoa absolute from the Ivory Coast.

Acclaim and awards

Burberry Goddess proved to be one of the most successful feminine fragrance launches of 2024. This triumph was not solely attributable to its unique and captivating scent, but also to the prestigious accolades it garnered from some of the industry's most respected awards bodies and authorities.

The fragrance was honored with three major awards: Fragrance of the Year from the esteemed Fragrance Foundation Awards in the US; Best New Feminine Launch from the prestigious Fragrance Foundation Awards France; and Best Prestige Female Fragrance in the coveted Duftstars Awards in Germany.

This recognition, coupled with a strong reception in the press – particularly from renowned beauty magazines such as *Marie Claire* and *ELLE* – helped to seal Burberry Goddess's position as a truly unique fragrance sensation, and that of Perfumery & Beauty as a key player in the wider industry.



Working in synergy to formulate a new yogurt range

A Taste, Texture & Health story

Our Taste, Texture & Health (TTH) team in North America responded to a brief from a food company looking for integrated solutions to create a new yogurt range that was not just high-protein, but also zero-added-sugar, spoonable and drinkable. Our customer has a strong philosophy: make delicious, natural, and

nutritious food accessible to more people. By doing this, they hope to change the world for the better. They are always exploring new technologies that might help them deliver on this vision, and we are delighted to be part of that process. However, in products like this, parts of the natural taste and texture profiles do not always match, bringing in undesirable attributes. As the problem was not solvable

using the customer's existing portfolio or flavor technologies, we were asked to develop a solution to deliver an innovative, palatable and, most importantly, delicious product.

Leveraging synergies between our divisions

By integrating the joint capabilities within the different divisions of TTH, our technical teams were able to create the ideal solution that not only eliminated the undesirable taste but combined to create something genuinely tasty. This innovative approach was made possible by combining our Taste division's TasteGEM® and TastePRINT® flavor solutions with Maxilact® lactase from our Ingredient Solutions division.

This was done back in March 2024, when our combined capabilities first caught the customer's attention. We followed up in June 2024 with a presentation of our beverage capabilities, which sparked our customer's interest in our broader technology and integrated solutions.

Developing novel food and beverage solutions together

Our technical application experts played a crucial role in making this innovation possible. Working closely with the customer, flavorist Jennifer Meehan devised numerous iterations of TasteGEM® and TastePRINT®, as well as tonality flavors to create the right flavor profile. Meanwhile, Senior Technical Service Manager Drew Smith provided his expertise in enzymes. In addition, TastePRINT® was created by our

sugar reduction team. The future now looks increasingly promising. Our customer is investing in an innovation laboratory just 25 minutes away from our laboratory in Plainsboro (New Jersey, USA), where we are already working with the customer's dsm-firmenich team on their own innovation projects. The ultimate plan is to lead our customer into new shelf spaces and new areas besides refrigerated dairy, and we have already had the pleasure of hosting them many times in our innovation facility in Plainsboro.



"Following the merger of DSM and Firmenich, our customer gave us the opportunity to leverage our synergies and unlock the full potential of our integrated flavor and ingredient solutions to create new value for them."

Alyse Frendling, Senior Account Manager TTH



Accelerating a customer's transition to algal omega-3

A Health, Nutrition & Care Story

Korea Eundan is a market leader in the dietary supplement segment. Until recently, its product portfolio included omega-3 supplements derived from fish oil. Despite promotion, sales of these products were stagnating due to lack of differentiation in a highly competitive and saturated market. While South Korean consumers generally recognize the many benefits of omega-3 supplements, they are concerned with the problem of marine contamination and the associated potential

accumulation of heavy metals in marine-sourced materials. Our customer perceived this as an opportunity to exchange their fish-oil based omega-3 products for a microalgal-based alternative, using Health, Nutrition & Care (HNC) as their strategic end-to-end partner.

Conceiving an elevated product

Korea Eundan saw a chance to better meet the expectations of South Korea's sophisticated, environmentally conscious, health-savvy consumers. This would involve replacing the

company's entire line of fish-oil-based omega-3 products with an elevated omega-3 product line. The new offering would be a vegan, microalgal-based alternative, entirely free of the risk of heavy metal contamination, and whose production had no impact on marine ecosystems. The switch was to be fully completed before the end of 2024.

Leveraging our end-to-end capabilities

Central to success were our capabilities as a true end-to-end partner, providing evidence-based, expert-powered solutions that are high quality, better-tasting, and higher-performing than the products they replace. We do this by leveraging the breadth of our world-class innovation portfolio, our manufacturing and processing expertise, our consumer and marketing insights, and our expanded capabilities in masking and taste solutions, including our expansive palette of flavors. During our meetings with Korea Eundan, we sought to understand their market objectives and carefully assessed the challenges associated with shifting their line of omega-3 soft gel capsules from fish oil to micro-algal.

After consultation, we set up an agile, cross-functional project team within dsm-firmenich to regularly track progress to ensure speed and efficiency. This included sales, regulatory, application, sensory, quality, and production, together with our Asia-Pacific regional and global innovation teams, who worked closely with Korea Eundan's knowledgeable brand and product experts. As the newest addition to

HNC's powerful cadre of experts, our Taste team played an essential role in solving the important sensory challenges presented by the planned portfolio transition.

An exclusive creation

Korea Eundan has a long history of using our ingredient trademarks both on-pack and in consumer communications to support their Vitamin C and multivitamin brands' value proposition. Continuing this practice, we signed an exclusive agreement for the on-pack use of the *life's®OMEGA* Ultra trademark to help differentiate the new product. We created a product exclusively for them: the trademarked, high-quality, highly concentrated algal omega-3, *life's®OMEGA* o77 rTG, which has an effective 75% concentration of both EPA and DHA.

Our portfolio of *life's®OMEGA* products comprises 100% algal-based omega-3, extracted directly from microalgae without the use of organic solvents. This omega-3 is produced in enclosed facilities that preclude external contamination, ensuring safety from marine pollution while having no impact on marine ecosystems. Next, we collaborated with Korea Eundan and their manufacturing partner to improve processing and quality of the finished soft gel capsules to manage oxidation stability.

Delivering the optimal flavor tonality

We worked together to ensure their exclusive *life's®OMEGA* soft gel line offered a pleasant



experience. Although less fishy in flavor than fish oils, algal oils have a unique 'marine' taste that some find unpleasant. This can lead to decreased compliance following purchase. Delivering a good-tasting product is critical to an algal product's success in the market. Despite already having another longstanding flavor supplier, Korea Eundan worked exclusively with us to devise the optimal taste solution and application solution for this product line.

Owing to HNC's global sales and innovation leadership and over 20 years of extensive algal omega-3 research, our dedicated HNC Taste organization has proven its ability in tackling the unique sensory challenges posed by algal oils in recent years. Our flavor experts (with additional support from our Taste, Texture & Health Taste organization) helped to neutralize any odors and create the highest-performing sensory solution.

While Korea Eundan originally wanted a citrus flavor in the oil itself, our taste and application teams understood this addition might increase oxidation, negatively impacting the sensory profile. Instead, we proposed the optimal flavor tonality for the product. We also recommended this tonality should be delivered via the shell of the soft gel capsule itself, thereby greatly reducing the risk of introducing additional oxidation during the manufacturing process.

Completion on time and in full

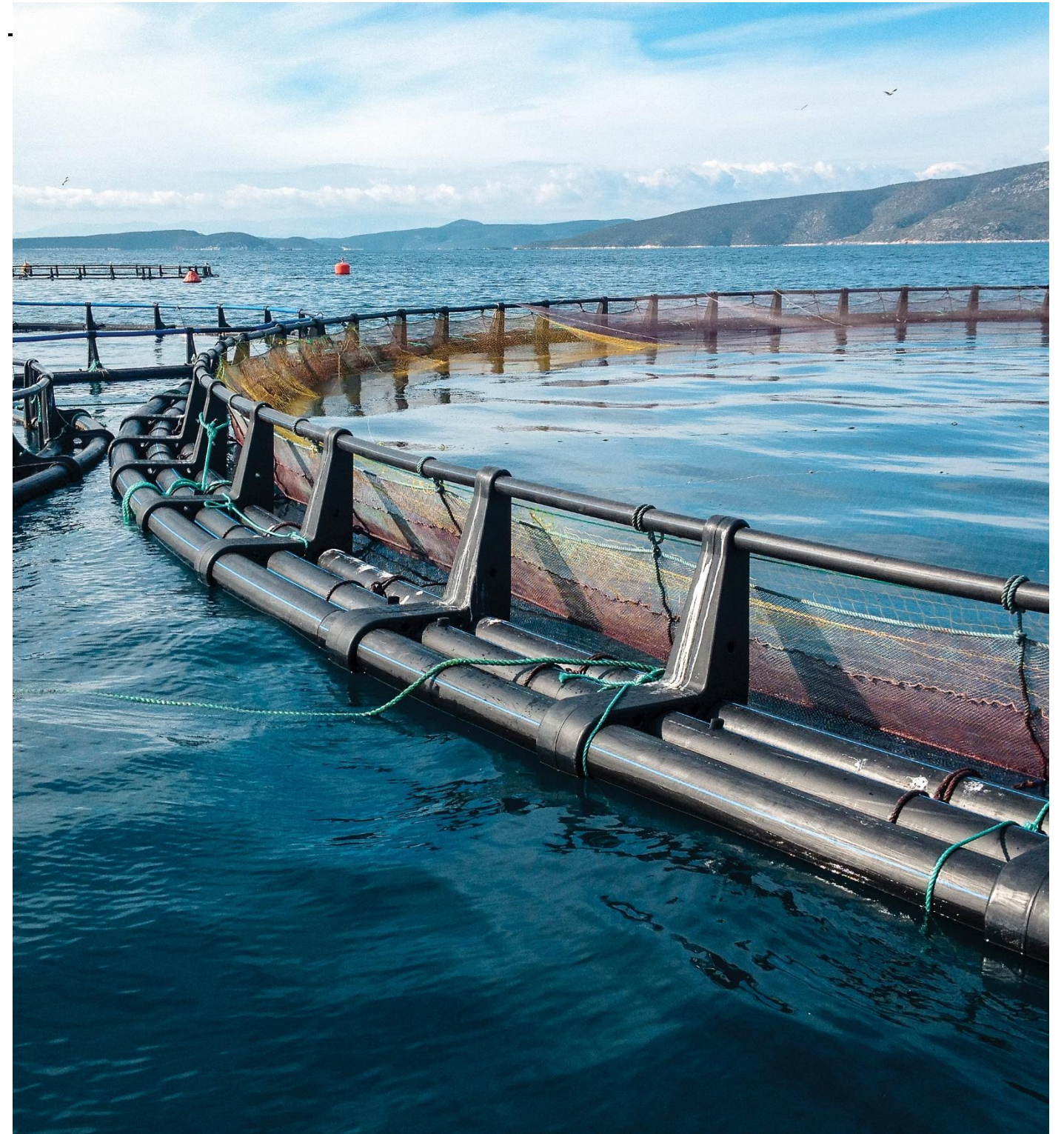
This partnership showed how we can deliver differentiating customer solutions by drawing on our powerful cross-business synergies. Prior to the 2023 merger, we lacked the flavor samples and expertise to create an innovative application method that would minimize any impact on active ingredients. Thanks to this expertise available within HNC, the entire development process was simplified and we brought the product to market much quicker.

In fact, thanks to the efforts of Korea Eundan's experts working closely alongside our project team, we fully optimized our end-to-end solutions capabilities to support the transition from fish-to microalgal omega-3 within a year, easily meeting our customer's 2024 deadline.



"Our partnership with dsm-firmenich has revolutionized our omega-3 product line, delivering unmatched quality, sustainability, and consumer satisfaction. We look forward to continuing this collaboration to adapt swiftly to evolving market needs."

Yong Jo Cho, CEO Korea Eundan



Boosting cattle farming in Brazil using precision nutrition

An Animal Nutrition & Health story

Fazenda Conforto (Conforto) is Brazil's largest confined cattle farm, located in rural Nova Crixas. We recently partnered with the farm on a project to apply science, technology, and advances in precision nutrition to help them combine innovative feed additives with farm data analytics. This is helping us find new ways to tackle complex issues and provide nutritious, affordable food to a growing population in a sustainable way.

Harnessing data to produce more with less

In the modern era, farms must produce safer, more nutritious, and more affordable food to ever-higher standards of sustainability and welfare. Farmers must also balance productivity and cost efficiency while mitigating inflation and dealing with environmental pressures. The availability of accurate, real-time data is essential to optimize operations, improve herd health, and align sustainability with global food security goals.

At Animal Nutrition & Health (ANH), we leverage cutting-edge technology to deliver game-changing insights and science-based recommendations in farm management, animal health, nutritional needs, and carbon footprint. Our Precision Services, powered by AI-driven analytics, empower farmers to make data-driven decisions to optimize productivity and sustainability. Our advanced feed additives and vitamins also proactively address specific nutritional needs.

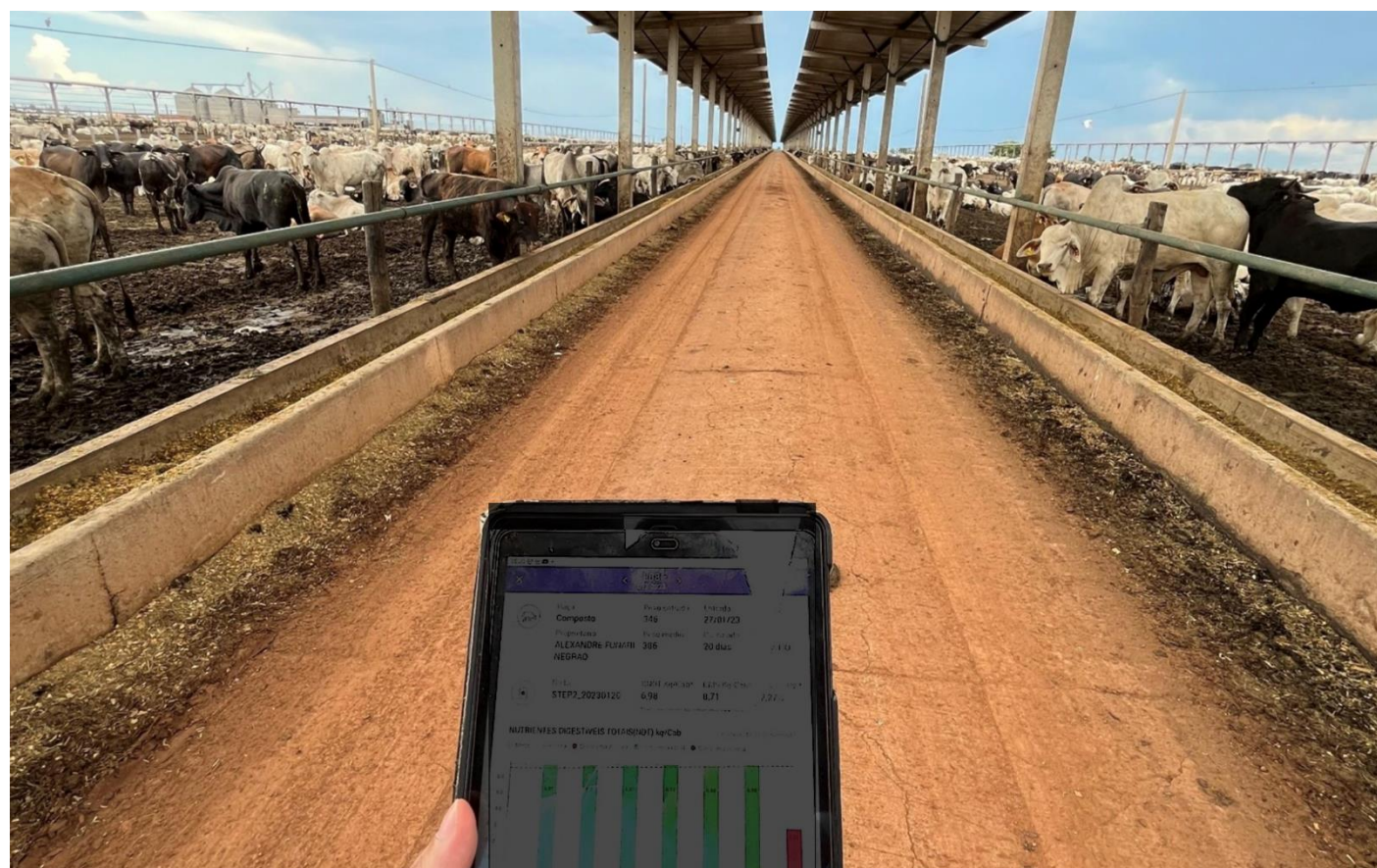
Unlocking the value of precision nutrition

We help Conforto to produce food safely and sustainably while respecting the environment, valuing people, and ensuring animal welfare. FarmTell™ equips them with cutting-edge tools to make data-driven decisions and tackle labor shortages, climate variability, and herd health management. It offers streamlined data management, offline functionality, and better insights, as Cláudio Braga, Director of Agribusiness comments: "FarmTell™ sets a new standard in environmental footprint management, providing transparent and reliable insights into factors like climate variability and herd health management while promoting compliance with industry regulation."

Lore™, the first AI for livestock management, also helps monitor, diagnose, and predict farm activities. As Breeding Supervisor Leonardo Guissoni comments: "Lore™ provides us with the tools to transform raw data into meaningful intelligence, enabling us to make data-driven

decisions with confidence. It's a north star that directs us to explore and take targeted action."

Conforto also started using the CRINA® and Hy-D® additives. CRINA® is a digestive solution shown to [improve the bioavailability of nutrients](#) in animal feed, improving efficiency and delivering cost savings. Hy-D® is a faster-acting, more efficient form of vitamin D that regulates calcium and phosphorous absorption and supports the development of stronger skeletons and healthier, more productive animals, thus boosting operating margins.



"We are committed to continuous investment in innovation and sustainability, enhancing our management systems and profitability. dsm-firmenich's integrated offer with Precision

Services and Performance Solutions is vital in driving our ongoing growth and success."

Sergio Pellizzer,
CEO Fazenda Conforto



Making a positive impact in Madagascar's value chains

A dsm-firmenich responsible sourcing story

In southeastern Madagascar, we source the highest quality pink pepper for our fragrances. Pink pepper's ingredients enhance perfumes by adding depth, texture and volume, while its essential oil offers a spicy, citrusy profile with sparkling, slightly woody facets.

The sustainable development of the supply chain plays a critical role in delivering quality products to our customers.

In Madagascar, pink pepper trees are cultivated by smallholder farmers and harvested from May to July. The pepper is sorted into grades, either for food or for essential oil extraction, with both processes relying heavily on manual labor.

Creating value for all our stakeholders

To create value for our customers and maximize positive impacts for both People and Planet, we actively engage our suppliers on a sustainability journey. This ensures that we operate within the most ethical, traceable, and sustainable value chains. We also align our efforts with the UN Sustainable Development Goals (SDGs) #1 End Poverty, #8 Decent Work, #12 Responsible Production and Consumption.

By engaging smallholder farmers in the cultivation and manual harvesting of pink pepper, we create economic opportunities that help alleviate poverty (SDG 1). Our initiatives to improve wages, diversify income sources, and support Fair for Life certification ensure decent work conditions and foster economic growth (SDG 8). Additionally, our commitment to ethical, traceable, and sustainable value chains aligns with responsible consumption and production goals (SDG 12).

Our responsible sourcing actions at source leverage long-term commercial relationships and sustainability expertise to deploy initiatives that empower our suppliers in the field and strive to make a positive impact on upstream stakeholders while future-proofing our supply chain. Nevertheless, we know that local communities face a range of social challenges, including limited access to social protection and fair wages. In 2022, we identified social challenges for local communities in Madagascar through a comprehensive supply chain assessment and a detailed survey of

smallholder farmers and workers across six sourcing areas, leveraging the good practices established in our supply chain due diligence framework. We committed to collaborating with local partners to improve livelihoods for farmers and communities in line with our [Responsible Sourcing standard](#). Our plan combined immediate actions with capacity-building efforts to establish sustainability practices and long-term impacts. Using precise local data, we designed a targeted social impact strategy.

1) Improving wages and income

In 2023 and 2024, we assessed the gap between minimum and living wages and piloted measures to build a progressive improvement strategy based on findings from a study using the [Anker](#) methodology. These included:

- Raising farm gate prices
- Diversifying income sources
- Supporting Fair for Life certification to empower local farmers and workers

2) Strengthening worker protection

We collaborated with suppliers to transition some seasonal workers to annual contracts and introduced enhanced human resource management and health and safety systems. Permanent staff were trained in human rights, fostering a safer, more inclusive work environment.



3) Promoting inclusive governance

We worked with cooperatives and smallholders to strengthen their governance systems, enabling collective decision-making regarding the use of Fair for Life funds. This approach further empowered local communities to take ownership of their development.

Two years of collaboration delivered strong and measurable benefits. Our progress includes a 95% achievement rate on project objectives, with tangible improvements in human rights awareness, wage increases, and worker protection. We also saw increased engagement and participation of cooperatives in shaping their own sustainable future.

Finally, our work in the pink pepper supply chain demonstrates the power of collaboration to deliver sustainable value, even in challenging contexts. With renewed objectives for 2025 and beyond, we aim to build on these successes and explore new opportunities for sustainable transformation.



Sorting pink pepper following harvesting. Source: dsm-firmenich Responsible Sourcing database - July 3rd, 2024



"I'm pleased that our collaboration with the responsible sourcing team and suppliers in natural supply chains has strong positive impacts on climate, nature, and people, as seen in the

Madagascar pink pepper value chain. Suppliers committed to sustainability will be more resilient and successful in the future. This effort requires shared commitment across the value chain for sustainable impact."

**Yanick Lavenu, Director Procurement
Perfumery & Beauty Naturals**



Our people

Our people create meaningful impact inside, outside and beyond our company.

Whether through our One Young World program, Kudos Awards, or mental health platforms, our people take decisive, meaningful action that benefits our entire organization.



Empowering the next generation: the One Young World Summit

A dsm-firmenich employee story, as told in conversation with Nadia Sharma, Senior Engineer, R&D Biomedical

The One Young World Summit is a global young leadership conference that brings together 2,000 people from over 190 countries to discuss some of the biggest global challenges facing humanity.

Every year, we send a delegation of our best and brightest along to find new ways to develop themselves personally and professionally. Then, upon their return to the company, the idea is for them to use everything they have learned to drive change within the business, creating a feedback loop of enhancement and empowerment that benefits everyone involved.

So Nadia, how many employees participated in the One Young World Summit in 2024?

In 2024, our delegation comprised 15 young leaders from across our organization, all of them highly motivated. With everyone coming from a different department, culture, and geographic location, this group was extremely diverse.

How was the delegation chosen?

After answering a set of questions in a self-nomination process, candidates are shortlisted and reviewed by both the HR and our talent departments. Applicants are assessed on their motivation, ideas, and abilities. On returning from the Summit, our young delegates have a brief to implement projects directly inspired by their participation. These run for 100 working days, and their results are reported directly to our CEO.

Could you give an example of one of these projects?

One of the four projects designed and led by our delegates this year involved working to empower underprivileged young people by providing skills, tools, and connections to help develop their talents. In just three months, we launched six events in three countries, engaging more than 60 employees and impacting more than 980 lives.

90% of project beneficiaries reported broadened career horizons, increased inspiration, and more diverse perspectives. 87% said they would welcome another similar project.

What were the benefits of these initiatives for dsm-firmenich itself in 2024?

Overall, impressions of our company and employee interconnectedness improved significantly. Beneficiaries of the projects inspired by One Young World found our people kind, sincere, and passionate, and appreciated the scientific rigor of our work.

As for our young delegates, more than 91% of them reported a positive improvement of their view of dsm-firmenich, increasing engagement with our company values from 76.5% to 98.5%. Additionally, 93.2% expressed an interest in hosting similar events in future.

When is the next One Young World Summit?

It will take place in Munich (Germany) from 3 to 6 November 2025, and young talents from dsm-firmenich will be there.



“When I think about the One Young World Summit, I’m really very proud of our company. By attending, our group has developed real leadership skills and built up a sense of purpose that goes beyond ourselves. Speaking personally, I’m thrilled I got to use this summit to better connect with our community.”

Nadia Sharma,
Senior Engineer, R&D Biomedical



Advancing and accelerating women through the WIN ERG

A dsm-firmenich employee story, as told in conversation with Lauren Wittenberg, Director eCommerce Sales Health, Nutrition & Care (HNC)



The Women Inspired Network (WIN) Employee Resource Group (ERG) is one of the five pillars of our Diversity, Equity & Inclusion (DE&I) strategy.

An entirely employee-led group, the WIN ERG works to advocate gender equality across our business, seeking to provide equal opportunities to all by encouraging positive change in processes and policies. In this story, Lauren Wittenberg reflects on how the WIN ERG grew in 2024, the areas and activities it focused on, and the general benefits for all of our employees across the dsm-firmenich business.

So, Lauren, how does the WIN ERG operate and how can employees participate in it?

The WIN ERG group aims to empower, value, and support everyone – regardless of gender – on their professional journey. We aim to be a force for good within the company by clearly articulating the voice of the employee as well as a safe, inclusive space in which all community members and allies can participate in a range of virtual and in-person events or our online community chat, Viva Engage.

What was the primary focus in 2024?

Looking back, there were three main areas:

- **Engaging events:** We delivered multiple global events on advancing women in the workplace while also dual-tracking the topics to key business areas in women's health, including menopause
- **Leadership development:** We helped launch our 'Rise Together' program, which provides training and a broader network to high-potential women seeking advancement. We plan to exceed the target of 36% female representation within the company's leadership by the end of 2025
- **Inclusive workplace practices:** We helped shape and implement practices to support women going through menopause and menstruation – for example, the availability of wellness rooms and the provision of free sanitary products at all sites

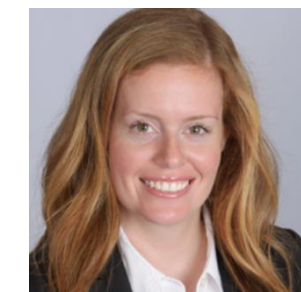
Why is menopause an important issue for the WIN ERG and how does this relate to our business activities?

Menopause impacts 100% of women, with 80% experiencing symptoms such as hot flashes. It can set in as early as 35, so in an environment where women are progressing in their careers, their symptoms may last as long as 15 years.

We want to support women to manage their self-care as much as possible. This relates to our business in that we serve customers and consumers directly through science-backed innovation in beauty care solutions, vitamins, and brands such as Estroven® Menopause Relief. We aim to be part of the conversation, whether launching new products or lobbying in Washington, DC for funding and research.

What is the vision for growing the WIN ERG?

Whether we're helping to shape DE&I practices, administrating employee benefits, or providing a platform, we are shaping the future of how women thrive in the workplace. Employees see this and want to be part of the movement.



"As the Global Lead for our WIN ERG, I appreciate the opportunity to drive impact for people and our business. Alongside our global DEI team, there's a core group of passionate WIN ERG leaders supporting the advancement of women, so we can shape the future of an even more inclusive workplace."

Lauren Wittenberg,
Director eCommerce Sales HNC



Recognizing excellence: at our inaugural Kudos Awards

A dsm-firmenich employee story, as told in conversation with Luciana Romay, Director Organizational Development & Culture Lead



Luciana Romay has been an integral part of the dsm-firmenich family for seven years. She introduced the Kudos Awards in May 2024 to help recognize some of the incredible work that our colleagues are doing. Here, in her own words, she explains why they are so special.

So, Luciana, why were the Awards created?

My idea for the Kudos Awards was to recognize employees who deliver results and embody our values. We wanted to inspire everyone to strive for excellence and make a positive impact within their roles and beyond.

When an employee consistently demonstrates a company value, a peer, direct manager, or other colleague can recognize their efforts by initiating a Kudos nomination process. Once submitted, the employee, the line manager and the HR Business Partner receive an email. Successful nominees receive a monetary reward along with a message of congratulation encouraging them to continue being a Culture Ambassador and to enjoy the reward.

Can you tell us a little about the recipients?

In our first three months, we participated in over 50 countries, received nominations from every function and Business Unit, and saw 7% of people recognized for championing one or more of our values. We were happy to see rapid adoption and the spirit of inclusive recognition.

What are the benefits to our organization?

The program helps foster a sense of unity and boosts appreciation by celebrating employees who contribute to our success. At the same time, it reinforces our values.

Can you give us some examples?

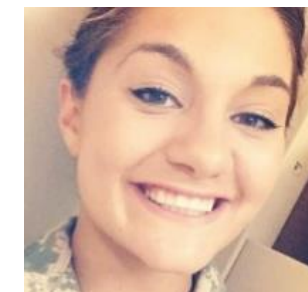
We recently gave a Kudos Award for contributions to a taskforce that aimed to define new ways of working within our Digital & Tech organization after the merger. This helped ensure higher-quality new digital solutions were implemented more rapidly to the benefit of customers and colleagues alike. Another Kudos Award was given to honor the care and attention one colleague gave to others to help them achieve better results.



"The whole point of these awards was to be about people. Peer-to-peer. Person to person. I wanted to create a way for the employees who work alongside us every day to be recognized

not only for their hard work, but their spirit, and their commitment to our company values."

Luciana Romay, Director Organizational Development and Culture Lead, HR



"I work in a very male-dominated field, so being recognized by superiors and co-workers makes me extremely proud. The Kudos Award I got was for 'being a force for good' and gave me an incredible boost."

Ashley Hahn, Kudos recipient and Operator HNC



"It's nice to receive a Kudos Award, but it's even more special to give one. To see the smiles of my colleagues receiving the award is heartwarming."

Lenneke Loman, Kudos recipient and Cluster Lead Customer & Consumer, Digital & Tech



Platforming well-being with our mental health program

A dsm-firmenich employee story, as told in conversation with Klara VandenBosch, Associate Director of Vitality projects

At dsm-firmenich, the well-being of our employees is always one of our top priorities. We recognize that mental fitness is like physical fitness in the way it is crucial for maintaining a balanced and energized life, both personally and professionally. Here, Klara VandenBosch, Associate Director of Vitality projects, explains why we take mental health so seriously.

So, Klara, why does dsm-firmenich place such a premium on mental fitness at work?

Because mental fitness is what enables us to navigate our daily challenges with resilience and strength. It's fundamental to our purpose of bringing progress to life.



What are the main features of the program?

The Global Vitality Office is recruiting and training over 600 Mental Fitness Champions (MFCs) in partnership with HSE Global. In addition to their regular work, MFCs are trained to be trusted go-to persons, offering a friendly ear and referring employees for professional help if needed. Our goal is to have MFCs available at every dsm-firmenich location, ensuring support is always close by.

Why does the program focus on employees helping other employees?

By training MFCs, we aim to foster a supportive work environment in which mental health is openly discussed and stigma can be overcome. MFCs are carefully selected based on their passion for helping others and their ability to observe confidentiality. We encourage all employees to take advantage of this valuable resource and so far, the initiative has been very well received across the business.

What benefits have been observed to date, and are there plans to expand the program?

More than 400 employees have so far been trained and certified to hold conversations on mental health issues with the aim of normalizing the experience of talking about mental health. More employees, as well as our SHE managers, will be trained in 2025. We're building a global community of Mental Fitness ambassadors to help create a culture of health at dsm-firmenich.



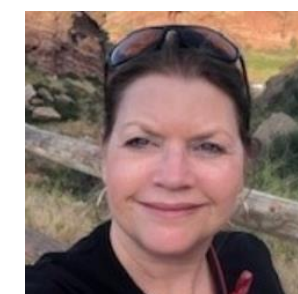
"For years companies have seen the value in physical fitness, so this program has been designed to do exactly the same for people's mental health, helping them develop their resilience both in and out of the workplace."

Klara VandenBosch,
Associate Director, Vitality projects



"The team talker course really enhanced my knowledge of well-being as well as raising my awareness of mental health and situation-handling. As an MFC I always do my best to ensure my colleagues feel safe and happy."

Balachander Boggula, Lead Specialist
Purchasing, Global Enterprise Services



"The class was great and the mental health continuum stuck with me. We shared it with teams in Columbia to encourage asking: Where are you on the Continuum today?"

Christa Barret,
Senior Scientist, Science & Research



Sustainability

A low-angle, upward-looking photograph of a woman with long dark hair, wearing a blue denim jacket and a tan hat, smelling a pink cosmos flower. She is surrounded by a field of various flowers, including red lilies and white cosmos, against a clear blue sky. The word "Sustainability" is overlaid in white text on the left side of the image.

Letter from our Chief Sustainability Officer

Dear Reader, sustainability experienced some headwinds in 2024, driven by geopolitical and economic volatility. Some businesses adopted a wait-and-see approach to evolving policies and regulations, but at dsm-firmenich, we held true to our course.



"In the first year of CSRD reporting, we intensified our drive for best-in-class sustainability performance with rigorous implementation of existing programs and the establishment of exciting

new targets."

Katharina Stenholm,
Chief Sustainability Officer

Sustainability is embedded into who we are and how we operate. It is not something we want to question. The strongest proof of this is in our new SBTi validated climate targets, including an ambitious goal of achieving net zero across our full value chain by 2045.

For us, sustainability means delivering progress for People and Planet by combining the essential, the desirable, and the sustainable. As a leading innovator in nutrition, health, and beauty, we contribute to the health and well-being of the world's population. We provide products that are designed to have a low environmental footprint. And, looking beyond our own products, we aim to deliver positive impact throughout the value chains in which we operate and to support our customers in solving their own sustainability challenges.

Sustainability is never a stand-alone concept or a bolt-on. It guides our entire approach from how we design and innovate to how we source and manufacture, and how we deliver to the market. In [Our Stories](#) you can find many illustrations of this philosophy in action, such as 'Accelerating a customer's portfolio transition to algal omega-3' and 'Making a positive impact in Madagascar's value chains'.

Progress for People

We empower people to thrive by fueling healthy and active lives, while nurturing a more inclusive and equitable world for both employees and communities worldwide. This includes a strong focus on people and a range of programs built

on positive social impact in our value chains and beyond. Key highlights in 2024 included:

- Making a significant improvement in our Safety, Health & Environment (SHE) performance compared to 2023 and implementing key elements of our Safety, Health, Environment & Security (SHE&S) management system and processes
- Introducing a new approach to performance management, embedding our values, establishing a new learning platform with bespoke solutions, and agreeing the design of the rewards integration system
- Accelerating the integration of our essential people processes to create a culture of ONE
- Reaching 620 million vulnerable people with our high-quality nutritional intervention solutions and renewing our partnership with the World Food Programme for 2025–2027

Progress for Planet

We work to foster a world with net-zero emissions as well as resilient and regenerative ecosystems. We work autonomously and within partnerships and coalitions to accelerate action on climate and to safeguard and restore nature and biodiversity. Key highlights in 2024 were:

- Receiving validation of our net-zero and near-term climate targets by the SBTi. For Scope 1 & 2., we are targeting a 42% reduction in CO₂e by 2030 versus 2021. For Scope 3, this is 25%. We are aiming for net zero across all Scopes by 2045
- Developing our first-ever dsm-firmenich Climate Transition Action Plan

- Being represented at COP16, and signing the Business for Nature (BfN) COP16 Business Statement to urge governments to strengthen the policies, incentives, and legislation that will drive the business actions necessary to halt and reverse nature loss by 2030

Creating value for all stakeholders

Our sustainability agenda drives value by protecting and growing our business, making us attractive to customers who seek innovative and sustainable products. It helps us explore and develop new markets and makes us more attractive to investors via positive ESG ratings. Our position as a sustainability leader is also a key factor in attracting and retaining young talent and helps future-proof our business against many potential risks.

Our journey to bring progress to life

Implementing new reporting standards is rarely easy, and the introduction of the EU Corporate Sustainability Reporting Directive (CSRD) in 2024 presented many challenges. I am pleased with what we achieved and hope that the Sustainability chapters of this Report provide clear and transparent insight into our progress. Looking beyond, I am also excited by the targets that will guide our sustainability journey in the years to come.

Warm regards,

Katharina Stenholm
Chief Sustainability Officer



Our approach to sustainability

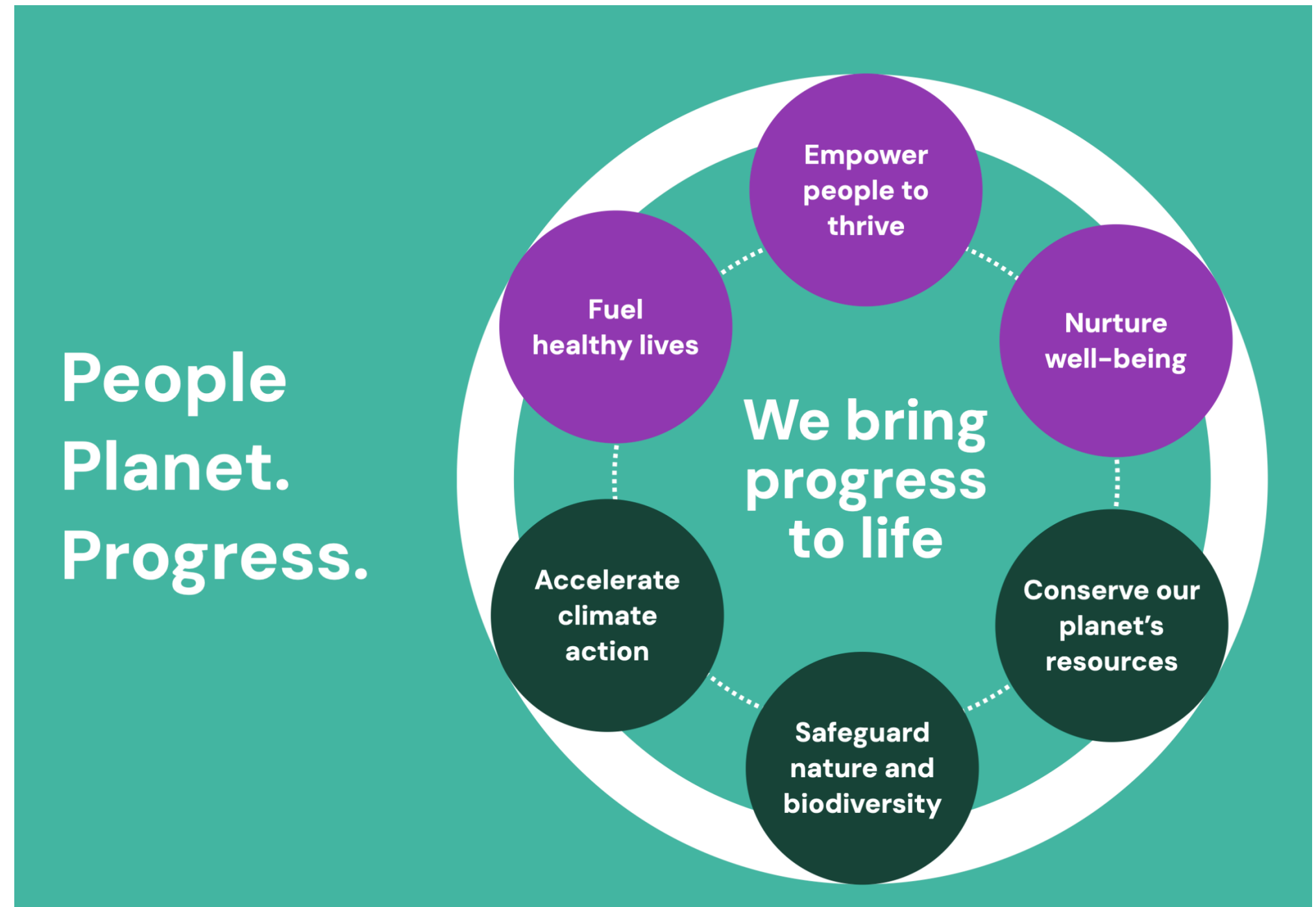
Sustainability guides everything we do, from how we collaborate with customers and partners, to the way we design, innovate, source and manufacture, and ultimately how we deliver to market.

Our Sustainability Leadership Team is composed of sustainability specialists as well as representatives of both our businesses and key partner functions. This ensures we take a company-wide, end-to-end, value-chain approach to our work.

Our goal is to *bring progress to life* through our products and services and we are committed to Progress for People and Planet in the way we run our business. We acknowledge a great deal must change for everyone to be able to flourish on a thriving planet and we have selected focus areas as outlined in the accompanying graphic.

As key enablers we consider:

- Broad engagement of employees across the company in our sustainability work and strong collaboration with customers, suppliers, and other partners
- Embedding sustainability into key business decision-making processes
- Leveraging data and technology for insights, transparency, and automation



Impact measurement and reporting

Sustainable Portfolio Steering (SPS) is an important strategic tool for dsm-firmenich.

By understanding the potential impact of our current product portfolio and innovation pipeline, we can steer our activities toward ever more sustainable business.

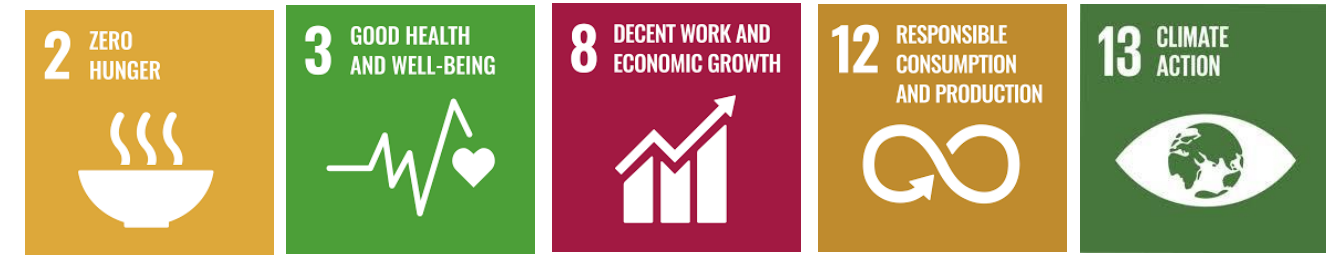
We are developing a new integral assessment approach that is agnostic to our business activities. This assessment will aim to address impact areas from the use of raw materials to the effects of products during the use phase, and will also consider elements linked to health, social, climate, and nature.

To create a future-fit method, we are collaborating with the World Business Council for Sustainable Development (WBCSD) to develop sustainable portfolio management best practices and are also aligning with the concepts of the EU Safe and Sustainable by Design (SSbD) framework. Integrating SPS into our stage-gate approach for innovation further strengthens our ability to select projects that contribute to progress by combining a sound financial business case with well-understood sustainability impact.

Contribution to SDGs

Our sustainability work supports delivery of the UN Sustainable Development Goals (SDGs). Through our business activities we contribute primarily to SDGs 2, 3, 8, 12 and 13, while for our people and operations we focus on SDGs 4, 5, 7, 8 and 10.

Business-activity-focused SDGs:



People-and-operations-focused SDGs:



Our integrated report and value creation

The Integrated Reporting Framework from the IFRS Foundation defines an integrated report as a concise communication about how an organization's strategy, governance, performance, and prospects – in the context of its external environment – lead to the creation of value in the short, medium, and long term. We have been publishing integrated reports for many years to support informed decision-making and positively impact investor and stakeholder relations.

The Framework's value creation model depicts the organization's capital inputs, business model, and capital outputs, which help deliver sustainable growth and positive impact. Our business model and value chain can be described as follows:

Capital inputs and approach

- **Financial capital:** sourced from shareholders and invested into operations to drive innovation and expansion
- **Manufactured capital:** includes production facilities and technological infrastructure
- **Intellectual capital:** represented by extensive R&D capabilities and proprietary technologies
- **Human capital:** embodied by a talented and dedicated workforce
- **Social capital:** built through strong relationships with stakeholders, including customers, suppliers, and communities
- **Natural capital:** involves the sustainable use of resources such as water, energy, and raw materials

The organization gathers, develops, and secures these inputs through strategic investments, robust R&D activities, talent management, stakeholder engagement, and sustainable resource management.

Business model and value chain

The business model leverages these capital inputs to create value through interconnected activities. The organization operates as one Group, united by a common purpose and values. It has four Business Units – Perfumery & Beauty; Taste, Texture & Health; Health, Nutrition & Care; and Animal Nutrition & Health – each with a high degree of autonomy and full accountability for manufacturing plants and supply chain. These Business Units are supported by Business Partners who enable excellence and efficiency. The organization's purpose is to *bring progress to life* by combining the essential, the desirable, and the sustainable.

The main features of the organization's upstream and downstream value chain include key suppliers, customers, distribution channels, and end-users. The organization maintains strong relationships with these business actors to ensure efficient and effective value creation. Key suppliers provide essential raw materials and components, while customers and distribution channels help deliver products and services to end-users.

Capital outputs and outcomes

The outputs of the model are multifaceted and contribute to value creation for stakeholders:

- **Financial outputs:** revenue growth, profitability, and shareholder returns
- **Manufactured outputs:** high-quality products and innovative solutions
- **Intellectual outputs:** patents, trademarks, and industry-leading research
- **Human outputs:** employee development, engagement, and well-being
- **Social outputs:** contributions to community development and stakeholder engagement
- **Natural outputs:** responsible management of environmental resources and reduction of ecological footprint

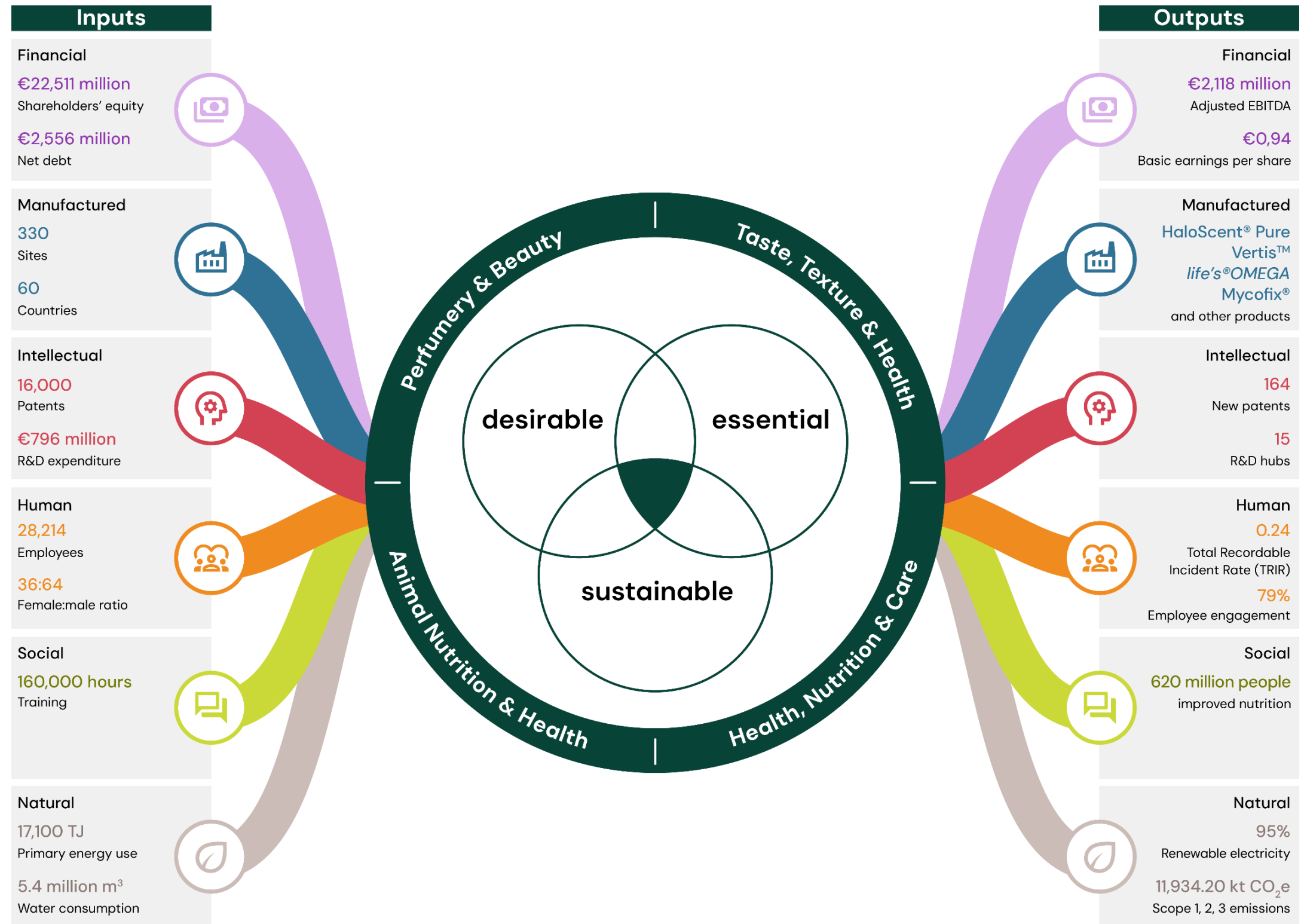
These outputs and outcomes provide current and expected benefits for customers, investors, and other stakeholders, ensuring sustainable growth and positive impact.

Our value creation model depicting how these different inputs, outputs, approaches and outcomes interact can be found on the next page.



Our 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.



People

We nurture a healthier, more inclusive, and more equitable world for all our employees and communities. Our People approach not only focuses on employees, but addresses the social, nutrition, and health impact we have outside of our company through our supply chains and partnerships.

Highlights

- We made a significant improvement in our SHE safety performance compared to 2023 and implemented key elements of our Safety, Health, Environment & Security (SHE&S) management system and processes
- In 2024, we finalized our newly integrated company structure (featuring strong end-to-end Business Units supported by best-in-class Business Partners) to deliver organizational excellence and drive value beyond the sum of their parts
- We built on our People strategy with a new approach to performance management, embedding our values, establishing a new learning platform, and agreeing the design of the rewards integration system
- Our execution roadmap aims to reward over 90% of employees in the next three years in accordance with a new greenfield approach
- We accelerated the integration of people processes to create a culture of ONE
- We launched our human rights policy, published our first human rights report, and conducted an analysis on human rights gaps in our own operations. Our action plan to address the gaps is currently in process
- We reconfirmed our commitment to fighting malnutrition by addressing micronutrient deficiency, reaching 620 million people with our high-quality nutritional intervention solutions. Partnering to address malnutrition is critical; we renewed our partnership with the UN World Food Programme (WFP).



Security, safety, health, and well-being

Security, safety, health, and well-being are at the root of our identity and enshrined in both our Safety, Health, Environment & Security (SHE&S) policies and our SHE requirements. The roll-out of our Life Saving Rules (LSRs) and the strengthening of our SHE leadership and culture have played a critical role in ensuring a safe and healthy workplace for all our employees and contractors.

Security

At dsm-firmenich, the health and well-being of our employees, the communities we serve, and the public, all remain top priorities. Equally as important is fostering trust with shareholders and customers. To uphold these commitments, we established a robust Crisis Management framework to ensure we are well-prepared to respond effectively to any crisis.

We understand that security is a shared responsibility, which is why we introduced a set of Key Security Behaviors to empower each and every employee to play an active role in safeguarding our organization. Tragically, in 2024, we experienced the loss of an employee involved in a security incident while commuting between two of our premises. Another (on-site) fatality, of a supervised contractor, is still under investigation by the authorities. At the time of the publication of this Report, it was not expected to be work-related. Both these incidents have deeply affected the families, friends, and colleagues involved, reminding us of how important our continued commitment to safety and well-being is.

Occupational safety

Occupational safety refers to the safety of our employees and contractors in the workplace. In 2024, we saw a significant reduction in recordable safety incidents versus 2023. This was attributable to the way in which our people took ownership of safety and their relentless focus on our safety foundation. With 85 incidents recorded, we significantly improved on last year's figure of 116 incidents.

	2024	2023
Occupational safety ¹		
Total Recordable Incident Rate (TRIR)-all	0.24	0.31
Total Recordable Incident Rate (TRIR)-own	0.22	0.29
Process safety		
Process Safety Incident rate	0.31	0.28
Occupational health		
Health rate-all	0.11	0.14

¹ The safety indicators do not include security incidents, being incidents caused by intentional acts.

In 2024, we continued to implement the first wave of our LSRs. This was greatly facilitated by a shared focus on capability development throughout the company after the merger. We also rolled out the next wave in the final months of 2024 and launched our new SHE requirements. These are the backbone of our SHE management framework and form a core part of our SHE management system, outlining key management and leadership activities needed to support and achieve our objectives.

Process safety

Process safety refers to the safe operational design of our facilities. In 2024, our Process Safety Incident (PSI) rate concluded at 0.31.

Despite improvements at many sites, we experienced three serious cases: the implosion of a tank, the bursting of a silo and a runaway reaction. Fortunately, no injuries were sustained in these cases. We focused on sites with the highest number of process safety recordable incidents in 2023, and continued to implement site-specific improvement programs.

The root cause of most process safety cases is incorrect behavior. New procedures and guidelines were developed in 2024 to meet the needs of our Business Units and operational processes. These behavior-based programs will be key to creating the right mind-on-the-job attitude and first-time-right approach across our company. We also continued to incorporate process safety information in an integrated digital platform for risk assessments and related controls. This was complemented by continued monitoring and management of the process safety life cycle. Our dedicated process safety trainings are designed to strengthen development of local and regional competences and key areas remain the handling of self-heating materials, safe handling of powders, and safe blending of liquids.

We conducted 31 fire protection integrity assessments at affiliates world-wide, reflecting the importance we place on protecting our people and assets from fire and natural hazards. Our audits cover both organizational and technical preparedness.



Occupational health and industrial hygiene

Occupational health uses medical assessments to detect early signs of work-related injuries and illnesses and to mitigate any symptoms, to keep our workforce healthy.

Industrial hygiene focuses on the evaluation and control of workplace hazards to protect the health of employees. It addresses risks from chemical exposure, noise, and ergonomic issues, aiming to create safe working conditions and prevent ill-health. In 2024, we recorded a total of 37 occupational health incidents involving employees and contractors, including cases of hearing loss. In response, we implemented corrective actions, such as providing enhanced hearing protection as well as engineering controls specifically designed to reduce noise at source.

We achieved a major milestone in developing an integrated hazard and risk assessment digital platform. This enables a structured approach to industrial hygiene, covering everything from hazard identification to risk control. This means we have company-wide accessibility to industrial hygiene data, providing insights that allow us to effectively track, analyze, and address health challenges while facilitating the sharing of best practice across sites. The project will be rolled out incrementally in the coming years.

We also reorganized our internal qualification system for health risk assessments, with deployment to commence in 2025. This initiative aims to strengthen competencies across sites, maximizing the effectiveness of our management of health risks.

A key accomplishment in 2024 was the release of a standard on occupational exposure limits, aimed at harmonizing our exposure control practices globally. This standard exceeds regulatory requirements, underscoring our commitment to protecting employee health in a proactive and uniform manner across our sites.

Furthermore, we implemented a standardized guideline on local exhaust ventilation. This ensures that newly installed ventilation systems are properly designed, maintained, and optimized to protect workers from chemical exposure. We also developed in-house methods for the monitoring of exposure and biomonitoring of key chemicals.

Our ergonomic program continued to deploy wearable devices at selected sites. These devices detect improper movements and provide real-time feedback to employees, encouraging safer lifting techniques and reducing ergonomic risks. They also help us identify tasks that require ergonomic adjustments.

Employee health and well-being

Fostering a healthy and supportive working environment for all our employees and contractors is central to our mission.

In 2024, we continued to invest in a workplace culture that encourages proactive health choices, especially in the context of ongoing organizational change. Our Global Vitality Office, established in 2023, drives this mission by combining our expertise in nutrition, health, and beauty to provide employees with the resources they need for long-term well-being.

Key initiatives in 2024 included:

- *'BoostYourVitality' global platform*: available in six languages, this platform consolidates all of our well-being initiatives and offers employees exclusive resources, lifestyle assessments, and discounted products. We launched the 'Make Vitality Your Priority' campaign via the new app to provide easy access to science-backed advice, resources, and life hacks to support long-term health
- *Women's health*: we created a dedicated section on our Global Vitality Hub that included menopause support and biometric monitoring. On Menopause Day in October, we organized a global webinar with our Women's Inspired Network
- *Men's health*: in November, we hosted a global webinar on a range of challenges specific to men, fostering open conversations, providing practical tools, and empowering men to take proactive steps to improve their mental and physical health
- *Mental health*: we trained over 580 Mental Fitness Champions worldwide, created a 'Train the Trainers' program, and organized a 'Beating Burnout' webinar on mental resilience and early detection, timetabled to coincide with World Mental Health Day
- *Workforce nutrition*: we organized a global webinar on the importance of protein and expanded the availability of our nutritional supplements in company restaurants



Our people

In our first 18 months as a new company, we have achieved significant milestones, establishing a distinct value proposition for employees with shared values and a highly effective organizational model.



“Together, in our second year of the merger, we further transformed and integrated our company on a path of innovation and growth, which is a testament to our determination and unwavering commitment to progress.”

Mieke Van de Capelle,
Chief Human Resources Officer

Belonging (Diversity, Equity & Inclusion)

We are committed to *bringing progress to life* through decisive action on our Diversity, Equity & Inclusion (DE&I) ambitions. With the launch of our DE&I policy, we embedded DE&I into our ways of working and empowered colleagues to take a stand on key issues, reinforcing our position as a Category of One.

Our dedication to creating a safe, fair, and inclusive environment aims to ensure every individual feels valued and empowered. We aim to achieve gender balance across all levels. Currently, 10,242 women work at dsm-firmenich. Within the Board of Directors – which itself comprises 11 members representing eight nationalities – 36% are women. Also, three out of nine Executive Committee members are women. We also actively focus on gender and ethnic diversity, with targets embedded in our Long-Term Incentive plan.

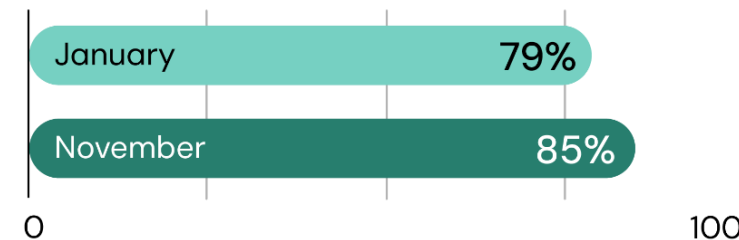
In 2024, we also launched the 'Rise Together' program to accelerate women's growth through a supportive ecosystem involving sponsors, managers, and allies. Our five global Employee Resource Groups (generations, gender, ethnicity, diverse abilities, and LGBTIQ+ communities) foster an inclusive work environment through various global initiatives.

In 2024, we organized eight events globally, engaging over 1,800 colleagues and on 18 October, we celebrated Global Menopause Day with new practices to support women's health and well-being, including educational resources, training, wellness rooms, desk fans, free sanitary products, and flexible work options.



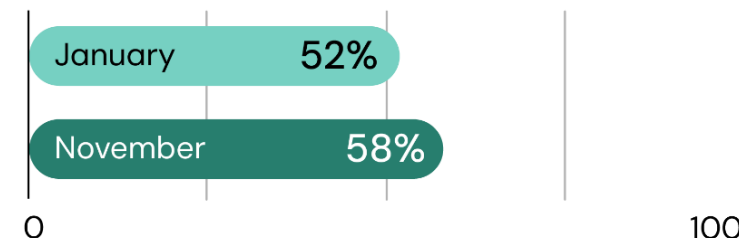
Participation rate

A broader communication campaign increased participation by 6% in November.



Information

We created more transparency on our transformation, increasing the score by 6%.



Impact

Almost everyone understands their impact is contributing to the success of our customers.



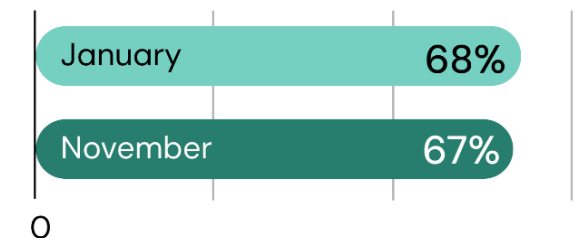
Engagement

In a turbulent year, we kept our Engagement score strong.



Inclusion

Despite new inclusion targets and campaigns in 2024, we saw a small decrease in scores.



People Management

While many reporting lines changed, people have a great relationship with their manager.



We also partnered with The Colors, an ecosystem dedicated to multicultural cosmetics and perfumery, to promote an inclusive beauty offering. We believe that diversity fuels innovation, and together, we aim to build a community of experts in multicultural beauty, foster a thriving network of entrepreneurs, and enhance the international influence of diverse beauty brands.

In our Consumer Insights & Sensory teams, we have integrated visually impaired panelists into our Sensory teams in six different affiliates across five different countries for nearly a decade, contributing to our teams in Perfumery & Beauty (P&B), Taste, Texture & Health (TTH) and Science & Research (S&R). The sensory abilities of our 44 visually impaired panelists bring invaluable insights that enrich our consumer research, demonstrating that diversity is a competitive advantage and that inclusivity fuels excellence. We also received a prestigious award for Diversity & Inclusion this year – the [Procter & Gamble 2024 Supplier Impact Award](#).

Employee engagement

At dsm-firmenich, we prioritize our people and continuously engage with them through our listening strategy. Our annual Employee Engagement Survey has been the cornerstone of this strategy, providing insights into topics such as work engagement, inclusion, and people's perceptions of our integration.

In 2024, we conducted two Employee Engagement Surveys, one in January and the other in November, to connect more frequently with our people during the integration process. The main results are presented in the figure on

the previous page. The results were shared across all layers, from the global level to the team level, and resulted in follow-up actions. For example, at the global level, we increased the frequency of our communication and transparently discussed our company's challenges in town halls. Feedback on topics like culture, inclusion, and learning and development were considered in our new policies and practices.

At the local level, workshops on trust and unity were organized, and more people managers engaged in development conversations following the feedback. The actions were communicated globally and locally, and each people manager was encouraged to engage in a meaningful dialogue with their team. To assess how effective our actions were, we compared the results of our surveys. While our communication efforts, for example, led to a 6% increase in our information score, we saw a slight decline of 1% for inclusion, indicating further actions are needed.

Building on our Employee Engagement Survey, we introduced several new surveys in 2024 to capture people's feedback in the context of moments that matter to them, for example:

- *During recruitment:* we listen to new hires and our hiring managers
- *During onboarding:* we listen to people who have been in their new job for between 30 and 180 days
- *On work anniversaries:* we ask people to reflect on the year and to look ahead
- *When people decide to leave:* we inquire about their reasons for leaving

By tapping into key moments that matter to our people, we learn from them and take action to improve our employee experience, work engagement levels, employee retention, and many other factors.

Leadership development

In 2024, we rolled out the first elements of our new leadership development curriculum. Over 630 people managers were nominated for Leading Progress or Leading Progress in Operations. These programs are designed to develop our People Managers to lead based on our values and behaviors: build and sustain high-performing teams; empower others; drive accountability; set the stage for collective success; and cultivate self-awareness and continuous growth in their roles as leaders. Seventy-five Directors and Senior Directors were nominated to participate in Leading Leaders. It has the following objectives:

- *Lead with purpose:* inspire others through your purpose, lead authentically, and foster an inclusive, unified dsm-firmenich culture
- *Deliver with edge:* turn strategy into action through effective prioritization, decision-making, and collaboration within Business Units/Business Partners and across the enterprise while leading teams through change
- *Build our tomorrow:* foster innovation to drive growth, cultivate resilience within yourself and others, and identify the next generation of leaders

Reward and recognize

In 2024, we defined a unified approach to our rewards programs, creating a global framework.

The framework anchors fixed and variable pay management in a global job grading system to establish the foundations for internal pay equity and transparency. This forms the basis for consistent and aligned reward processes.

To enable all employees to share in the company's success, our framework aims to include all employees in our variable pay programs. Non-sales employees will be eligible for our Short-Term Incentive framework, while sales employees will be eligible for a harmonized Sales Incentive Plan (SIP) as of 2025. The SIP is designed to inspire accountability and encourage the achievement of sales objectives. Implementation is subject to local legislation and works council approvals.

To foster a culture of recognition and collaboration, the Kudos Award, a peer-to-peer recognition program, was rolled out mid-2024. The award is designed to inspire employees to strive for excellence and make a positive impact. The Progress Award, meanwhile, is an all-year-round award program that rewards individuals who have made impactful contributions in their respective areas. Finally, the Dreamcatcher Award honors four outstanding individuals or teams who have made significant contributions toward our values, progress, innovation, safety, or quality. Employee benefits are also an important component of our rewards offerings and consider the local landscape. In 2024, we began planning the detailed harmonization of benefits in each country. We will continue with this harmonization process in 2025.



People development

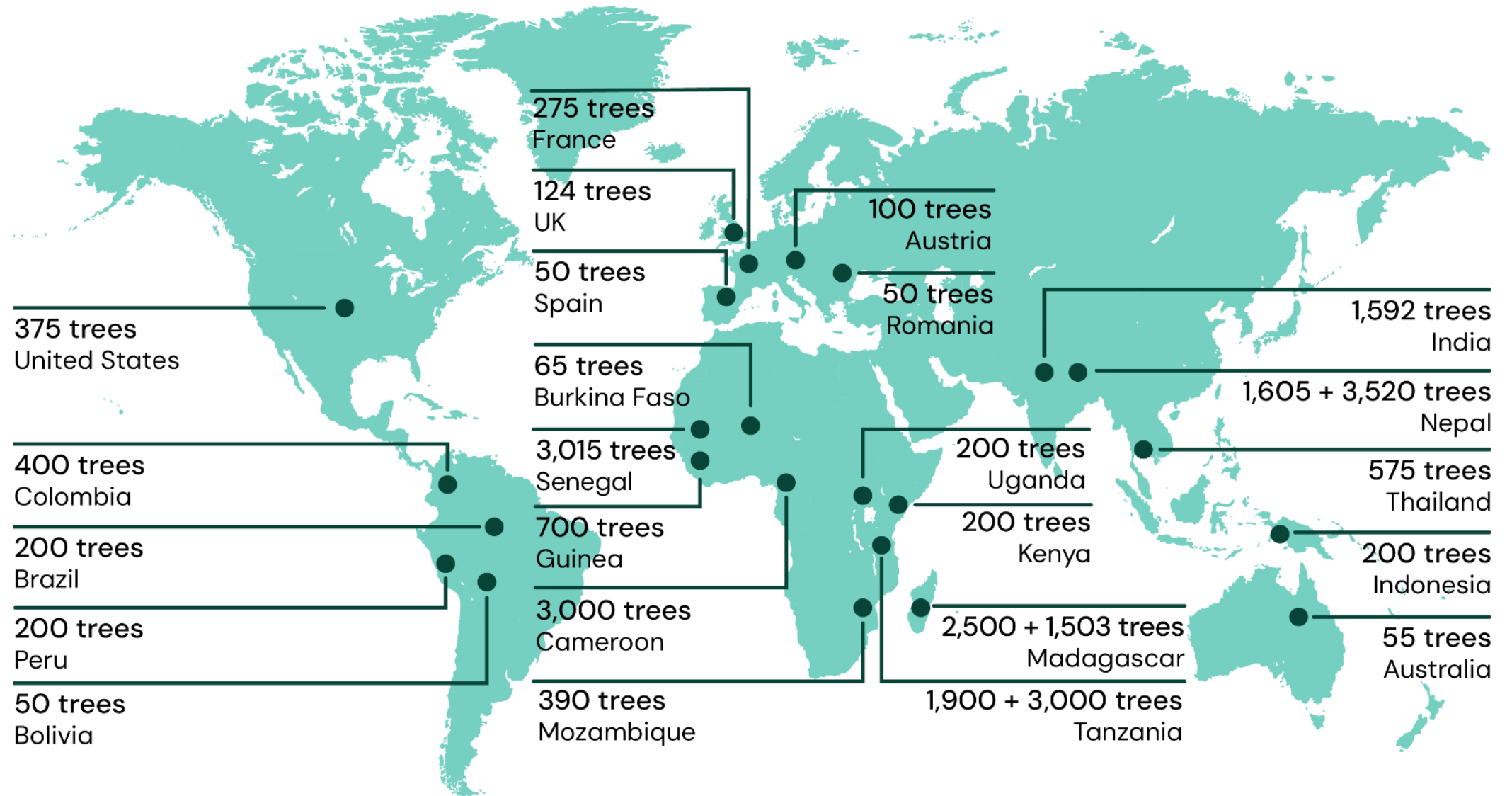
Our new People Progress approach links performance, talent management, and learning and development in one holistic approach. We encourage employees to take ownership of their development and personal growth. At the same time, we foster an environment in which employees feel empowered to deliver sustainable impact as individuals.

At the start of the year, our employees and managers set objectives for winning together. In 2024, more than 91,000 performance objectives were set across all employees. We encourage open dialogue and feedback throughout the year. Near the end of the year, people managers and employees can formally reflect on the year's wins and challenges.

This is an opportunity to engage in an open dialogue on what objectives were achieved, how they themselves grew throughout the year, how they demonstrated our values, and what might be their next career steps. People managers are also able to reflect on their impact as leaders, in line with our people manager fundamentals. In 2024, 88% of our employees participated in annual reviews via our global process. All other employees (such as for our recent acquisitions) received reviews via local systems.

Key activities included:

- **New learning experience solution:** we launched our new best-in-class learning experience solution, 'LearnNow', a social platform, leveraging AI and comprising 45,000 digital courses and 16,000 business books. It houses over 30 academies for our



Business Units, Business Partners, and company leadership. We also reported a learning consumption of more than 160,000 learning hours in 2024

- **Mentoring:** we launched a mentoring program for all employees, leveraging our more senior employees as mentors. Almost 1,250 mentees and more than 550 mentors participated in this program during 2024. To

strengthen our bond as a new company, 93% of mentor matches are pairings from our two legacy companies

- **360-degree feedback:** we provide all employees with the opportunity to receive multi-rater (360-degree) feedback via a dedicated platform. The feedback is aligned to our company values and behaviors. For people managers, it is also linked to our

people manager fundamentals. More than 1,000 employees and almost 250 managers used the platform in 2024

- **Tree planting:** we encourage sustainable learning. For every 10 hours of digital learning in which our employees engage, we plant a tree. Prior to 2024, we had planted over 26,000 trees. In 2024 we added more than 6,700 additional trees



Social impact

Social impact involves making a meaningful and lasting difference in society, enhancing individual lives and the health and prosperity of communities more broadly. Our aim is to contribute to the creation of a world where everyone can lead a fulfilling life, where communities thrive, and where the planet is sustained for future generations.

Making a difference starts with the fundamentals: making sure that human rights are respected throughout our own operations and within our broader supply chains.

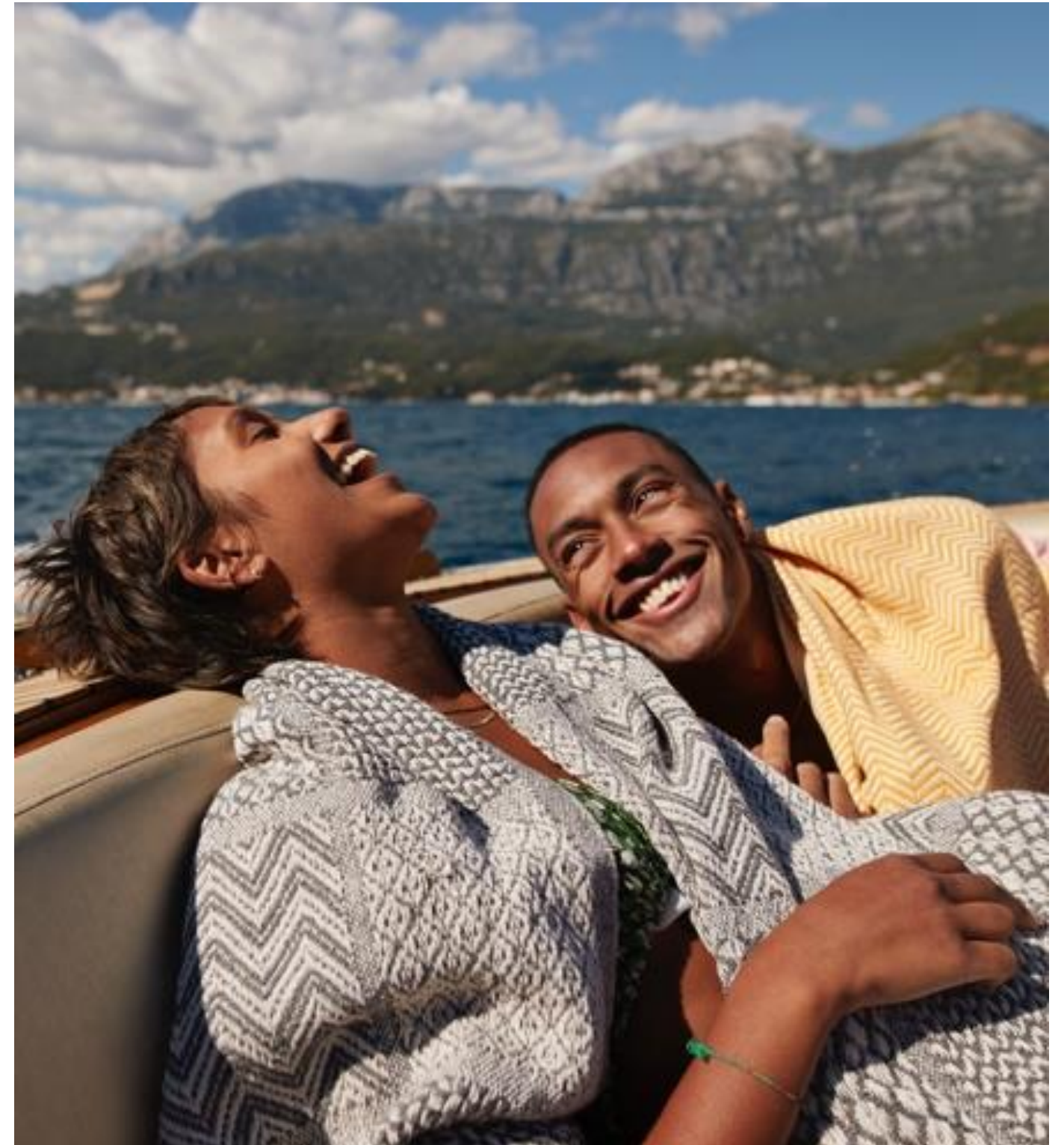
Human rights

Across our activities and those of our supply chain we are committed to the highest international standards in human rights. This commitment is documented in our [Human Rights policy](#) and underpinned by our Code of Business Ethics. We also have position statements on [Modern Slavery](#) and [Conflict Minerals](#).

Our Human Rights policy is based on international human rights standards such as the International Bill of Human Rights and the Declaration on the Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

We are committed to respecting human rights in accordance with the UN Guiding Principles for Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. As a signatory of the United Nations Global Compact (UNGC), we promote decent work throughout our operations and in our global supply chains.

We believe the subject of human rights is one that should be embedded across all our business practices and processes. Everyone must understand how, and why, human rights matter in their day-to-day jobs. The topic of human rights is also a key focus area when working with suppliers. Via our [Supplier Code](#) and our [Responsible Sourcing standard](#), we



extend our human rights policies to suppliers and partners by requiring them to adhere to similar ethical practices. For more information on our responsible sourcing practices and our supply chain due diligence approach, see [Stakeholder engagement](#).

Throughout 2024, we took a range of actions to advance the embedding of human rights in our internal practices.

In February, we launched our dsm-firmenich [Human Rights policy](#). This policy serves as a guiding framework, outlining how we expect our employees, suppliers, and business partners to work with us on ensuring that human rights are respected. Reference to this policy is also made in our Code of Business Ethics training.

In June, we published our first [Human Rights report](#). In this report, we highlight how we conduct due diligence, share our story on reported cases of human rights infringements, and highlight an existing supply chain remediation case, to demonstrate how we apply our commitment to respect the highest human rights standards. From 2025 onwards, we will publish our annual Human Rights report together with our Integrated Annual Report.

We also assessed the degree to which salient human rights issues are being followed up in all our sites in accordance with the definitions and standards of the ILO. This assessment examined whether human rights are integrated into our company's policies, procedures, and decision-making processes across all business functions.

This internal analysis resulted in various actions, such as extending our grievance mechanism to our supply chain, the launch of a pilot project on working hours, the extension of our living wage commitment to suppliers, and an action to further develop the freedom of association within our operations. Following external validation, these actions will be converted into our overall company Human Rights action plan.

Our human rights performance is being assessed externally by SMETA audits. This is an ethical audit methodology serviced on the SEDEX platform, that encompasses all aspects of responsible business practice.

To hold ourselves accountable for our performance on human rights, we have set ourselves the ambition for the human rights pillar in our SMETA audits to achieve zero critical non-conformity cases by the end of 2025. Our progress will be communicated in our Human Rights report.

To create awareness of our human rights efforts, we celebrated International Human Rights Day with a video message via our internal news site. Tailor-made human rights learning sessions will be scheduled for 2025.

We value the voices of all rights holders. To continue improving our own skills in conducting meaningful stakeholder dialogue, we will join the Community of Practice of the Dutch Social and Economic Council (*Sociaal-economische Raad (SER)*).

Equitable living standards

We care for our employees and their families by providing them a decent standard of living by paying a living wage. Living wage is the remuneration received for a standard working week (the relevant legal regular working hours or 48 hours per week, whichever is lower) by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. This includes proper access to health, food and nutrition, housing, and education. Every two years, we assess our living wage commitment using the benchmark data of WageIndicator.

With sustainability at the core of everything we do, we build resilience for long-term success, not only for ourselves but for everyone connected to our business. As a next step, we want to secure the same for more people beyond our workforce. We will work with our suppliers, other businesses, governments, and NGOs to create change and encourage the global adoption of living wage practices. This is also why we have subscribed to the two living wage targets of [UNGC](#). We are also a member of the EcoVadis Living wage learning group.



Nutrition and health

The promotion of healthy diets and better nutrition is central to how we *bring progress to life*. By fostering positive diet transitions and highlighting the role of nutrition and food as preventative health factors, we can address malnutrition in all its forms, including micronutrient deficiencies.

In 2024, a [report](#) by The Lancet Global Health concluded that 5 billion people suffer from at least one micronutrient deficiency. Additionally, the World Health Organization [stated](#) that 2.5 billion adults were overweight, 890 million obese, and 390 million underweight.

This is why our nutrition and health efforts focus on strengthening global food systems, improving equitable access to adequate nutrition, and enhancing health outcomes. We work on solutions and innovations that support health and well-being by adding essential nutrients to food and beverage products and by reducing sugar, salt, and saturated fats.

Solving malnutrition is a global challenge, and one that we cannot tackle alone. We collaborate with our global partners – including the World Food Programme (WFP), UNICEF, the Bill & Melinda Gates Foundation (BMGF), and World Vision International – to address the root causes of malnutrition and help shape more equitable and sustainable food systems across Africa, Asia, and Latin America. We have also made significant investments, such as in Africa Improved Foods (AIF), to increase the local production of nutritious foods on the African continent.

Through our nutrition improvement products, which operate both independently and through our partnerships, we reached 620 million beneficiaries with our high-quality nutritional intervention solutions: large-scale staple food fortification, emergency and therapeutic foods, and public health supplementation.

Partnerships for nutrition and health

UN World Food Programme (WFP)

Since 2007, our company and WFP have worked together to combat malnutrition and its devastating impacts. Operating under the shared mission of 'Improving Nutrition, Improving Lives,' the partnership focuses on eliminating hidden hunger. Combining our advanced nutrition expertise with WFP's global reach and operational capacity, this collaboration achieves far-reaching results that neither organization could alone. Key focus areas for the current agreement (2022-2024) include:

- *Scaling up fortified rice:* promoting global adoption of fortified rice to address widespread micronutrient deficiencies
- *Improving access to nutritious foods:* enhancing the availability and affordability of fortified foods in markets worldwide
- *Building evidence for nutrition investment:* contributing robust data to encourage global support for nutrition initiatives
- *Advocating for nutrition:* raising awareness and driving investment in sustainable nutrition solutions

The partnership operates through two primary workstreams: rice fortification and retail, supported by knowledge-sharing, advocacy, communication, and contributions in kind. The latest data on the impact of these efforts cover 2023, and include:

- Reaching 38 million people with fortified and nutritious food products enhanced by the partnership

- Reaching 20.5 million people through rice fortification and retail projects in the context of WFP country programs
- Enabling the distribution of fortified rice to 500 million people in previously partnered countries through expanded social protection programs
- Reaching 4.8 million individuals via Social Behavior Change (SBC) activities and additionally training 14,000 community leaders, health workers, and retailers to advocate for fortified foods
- Strengthening food systems by providing technical support to 230 millers to produce fortified rice and maize flour
- Driving sustainable progress toward eradicating malnutrition by combining innovation with a systemic approach

In the fourth quarter of 2024, our partnership with WFP was renewed for the subsequent three years (2025-2027). It will focus on the following workstreams:

- Reaching the most vulnerable at scale, which entails increased integration of fortified staples into institutional demand and humanitarian programs
- Strengthening impact by improving the quality of fortified staples
- Identifying potential innovative solutions to further address micronutrient deficiencies



UNICEF

We have partnered with UNICEF since 2013, sharing a joint ambition to promote increased and sustainable access to better nutrition for mothers and children in need. Recognizing the importance of the role of the young in tackling malnutrition in the years to come, the partnership also encouraged entrepreneurial skills and employment opportunities among young African people through the Generation Unlimited initiative (GenU). Below is a summary of what the partnership achieved by the end of the current agreement (2022–2024).

Nigeria

We supported the Nigerian government in introducing and scaling a large program to deliver vital nutrients to at-risk populations.

Through the partnership, multiple micronutrient supplements (MMS) and other nutritious supplements were included in the national list of essential drugs. In addition, the national SBC strategy was developed and disseminated. This focuses on nutrition, including MMS and micronutrient powders (MNPs), among other elements. By the end of 2024, local producers of MMS and MNPs were assessed in preparation for future scale-up.

India

Through the partnership, UNICEF India created the ImpAct4Nutrition platform to engage the private sector with the topic of workforce nutrition and create a social movement around nutrition literacy. To date, more than 500 companies have pledged, reaching 2.7 million employees and their families (leading to an

estimated total reach of more than 100 million individuals). In 2024, 30 companies documented how they integrate healthy diets into their food menu offering. In addition, the program was showcased at government level for further advocacy and potential scale-up.

Mexico

In Mexico, we supported the Ministry of Health in scaling up measures to support maternal and child health. We developed and trained more than 2,000 (community) health workers.

Several policy and nutrition guidelines were drawn up (such as the National Action Plan for Nutrition Care for the First 1,000 Days and the National Protocol for Acute Malnutrition in Children), as well as a related scientific publication. Through this partnership, an operational research protocol to identify barriers to, and enablers of, pregnant women's compliance with MMS was completed. The findings of this research will inform the implementation and scale-up of MMS in the country.

East and Southern Africa Regional Office (ESARO)

In Malawi, Rwanda, South Africa, and Uganda, we wanted to increase access to micronutrients for women and children. Our program focused on strengthening policies, strategies, and guidelines in these countries. Within one year, the program has stimulated the various governments to devote more attention to maternal nutrition services. It has also opened more resources. Furthermore, Malawi, Rwanda and Uganda have initiated plans for

transitioning from iron–folic acid (IFA) supplementation to MMS.

In 2024, the focus of the partnership support was Rwanda, where we achieved the following:

- Developing several policies and guidelines, such as the Maternal Nutrition guideline including MMS and the National Family and Nutrition policy (including nutrient guidelines) for the next five years
- Training healthcare providers on the new Maternal Nutrition guideline including MMS
- Providing support to large-scale operational research on MMS (targeted at 60,000 mothers in seven districts)
- Developing SBC communication guidelines for MMS to ensure better adherence and compliance

GenU

Under the UNICEF umbrella, dsm–firmenich committed to the Generation Unlimited Sustainable Food Systems platform in Nigeria. This initiative brings together stakeholders to collaborate in providing nutritious foods and creating attractive jobs for young people in a sustainable agri–food industry, thereby delivering inclusive economic growth. In the period 2023–2024, two interns were onboarded in our Nigeria office. In 2023, 120 scholars had participated in the Harvard course 'Food Systems Live! Entrepreneurship in Emerging Economies'. In 2024, three scholars from the country were invited to join the One Young World conference in Montreal (Canada).

As the UNICEF malnutrition partnership ended in December 2024, we are exploring new areas for the focus of our partnership with UNICEF.

World Vision International

In 2024 our partnership with World Vision focused on developing an affordable and sustainable MMS value chain to contribute to the improvement of the nutritional status of pregnant and lactating women in the Philippines. Together with World Vision and Sight and Life, we worked on the co-creation of a viable, repeatable and scalable MMS project model with the support of the Philippines Government. This pilot project will introduce MMS to 3,000 women in four remote locations in the country. The project baseline assessment was conducted, and the actual provision of MMS is planned for 2025.

Africa Improved Foods (AIF)

AIF is a social enterprise with the mission of helping people in Rwanda and the wider region achieve their full potential through improved access to nutritious, locally sourced foods. These foods include mineral and vitamin rich porridges that help meet the nutritional needs of vulnerable population groups such as pregnant and breastfeeding mothers, older infants, and young children. AIF addresses the food challenges facing Africa by building resilient food systems through sourcing, manufacturing, and selling nutritious, affordable, and accessible products.

AIF was launched in 2016 in Rwanda as a public private partnership between the Government of Rwanda and a consortium comprising the former DSM, the Dutch Development Bank, DFID Impact Acceleration Facility managed by CDC Group plc, and the International Finance Corporation, the private sector arm of the World Bank Group.



AIF's mission is to produce high-quality nutritious foods from local ingredients. Working with smallholder farmers in Rwanda and across the region, AIF improves their productivity and product quality, and is scaling this further with partners. AIF is focused on developing robust value chains that address the challenges of climate change and employment creation in the African food value chain.

More information on AIF's role in increasing accessible and affordable nutritious foods by improving food safety, reducing malnutrition, and contributing to broader development can be found in a report published by the Harvard Kennedy School and Endeva, entitled [Fortifying Food Markets: Unlocking the potential of food fortification partnerships to improve nutrition](#).

For AIF, 2024 was a challenging year. In the wake of decreased funding for humanitarian relief operations and fighting hidden hunger globally, AIF faced a steep decline in demand. The AIF leadership was able to curb this setback and limit the impact on its factory in Rwanda; no forced redundancies were needed.

Today, the factory employs over 450 skilled workers and reaches more than 1.6 million beneficiaries daily when it is at full capacity. Through the tireless efforts of the AIF team, toward the end of 2024 orders started to come in again, ensuring that the regional procurement of goods and services (such as transportation) continue to lead to indirect economic development in Rwanda and across the region.

Partners in Food Solutions

Partners in Food Solutions works to increase the growth and competitiveness of food companies in Africa. These aims are achieved by inspiring business leaders and linking highly skilled corporate volunteers from a consortium of leading companies – including dsm-firmenich, Cargill, General Mills, Hershey, Bühler, Ardent Mills, and J.M. Smucker Company – with promising entrepreneurs and other influencers in the food ecosystem.

By sharing expertise, volunteers from the corporate partners assist local entrepreneurs in growing their businesses, thus empowering entrepreneurs to work toward stronger, more resilient food value chains across the African continent. In 2024, 68 dsm-firmenich employees contributed more than 1,000 volunteer hours, working with 55 African customer organizations across eight countries. Of these organizations, 37% are owned or managed by women.

Project B.E.N.®

Project B.E.N.®, which stands for Better Eggs for Nutrition, is a cross-cutting innovation that addresses the entire egg value chain – from producer to consumer – thereby saving lives and protecting livelihoods. It increases the production and consumption of eggs, with the effect of greatly reducing childhood malnutrition. At the same time, farmers can increase their income due to improved egg productivity; lower production costs enabled by consistently high-quality inputs (feed, layers, technical assistance, and veterinarian support); access to credit; and access to local markets

that are more profitable, for example, school feeding programs.

In 2024, Project B.E.N.® farmers in Latin America and Africa produced more than 25 million eggs, impacting more than 650,000 people, especially children and women of childbearing age, who consumed at least one egg per week.

The ownership is currently being transferred to the farmers. In Brazil, ownership and management of the program has been handed over to the smallholder farmer cooperative COMDAFAR, which is responsible for production, sales and distribution of the eggs to public schools, popular retailers, and hospitals. This has allowed Project B.E.N.® to become self-sustainable.

COMDAFAR has also started to fundraise directly to extend the program, construct of a new egg classification center, and acquire vehicles for egg distribution, thus enabling the program to double its reach. For Brazil alone, the anticipated impact in 2025 and beyond is for more than 16 million eggs to be produced and sold per annum, which would impact more than 300,000 children directly through the school feeding programs.



Planet

The extreme climate impacts we are seeing globally – from warmer temperatures to drought and rising sea levels – are contributing to unprecedented destruction of biodiversity and the loss of the natural resources on which we all depend. At dsm-firmenich, we increasingly view climate and nature as one interlinked topic, which is why we seek to develop the required solutions with an equally interlinked approach.

Highlights

- We achieved validation of our net-zero and near-term climate targets by the Science Based Targets initiative (SBTi)
- We developed our first dsm-firmenich Climate Transition Action Plan (CTAP) in 2024 to support the delivery of our near-term and net-zero targets
- Aligned to our new targets and supported by the new CTAP, we have:
 - Delivered a 27% reduction in Scope 1 & 2 versus the 2021 baseline
 - Delivered a 20% reduction in Scope 3 versus the 2021 baseline
 - Purchased 95% of our electricity from renewable sources
- We kicked off our new supplier engagement program, 'Joining Forces for NetZero', a program intended to drive collaborative decarbonization efforts with suppliers
- We continued to enable our nature agenda through representation at COP16 and as a signatory to the Business for Nature COP16 Business Statement, while also expanding our biodiversity programs through, for example, pocket forest programs in India, mangrove planting in Indonesia, and restoration activities in New Jersey
- Bovaer® continued to play a key role in helping customers reduce methane emissions from their agricultural value chain emissions. By the end of 2024, cumulative avoided emissions were 220,000 tons CO₂e



Climate

Climate change is one of the most pressing issues of our time. Urgent and decisive action is required to both mitigate its impact and adapt to the inevitable volatility the planet is experiencing now and will continue to experience in the future.

We acknowledge these challenges and will meet them head-on, shouldering our responsibility to accelerate climate action throughout our business, our value chain, and beyond. We have been, and will continue to be, an industry leader in both our commitment to ambitious climate targets and in our drive to deliver against these targets.

Climate change mitigation and adaptation are material topics for our business, as is the addressing of energy sources through our value chain. As such, a critical part of our approach to accelerating climate action is to work together with our suppliers, customers, and stakeholders to achieve our newly validated Science Based Targets (SBTs), which are a first for our company. Delivery of these targets is guided by the newly developed CTAP, which focuses on our climate approach, climate targets, performance, decarbonization levers across Scope 1, 2 & 3, and climate-related risks.

Our climate approach

Our climate approach, as detailed in the overview opposite, focuses on climate change mitigation and climate change adaptation in our own operations and value chain.

While we remain fully responsible for reducing our own emissions, the products and services we offer to our customers provide a unique opportunity to extend our impact beyond our own operations and supply chains, enabling large-scale global decarbonization through avoided emissions.

We have outstanding products such as Bovaer®, our methane-reducing feed additive for cattle, and our suite of animal nutrition solutions,

which enable our customers to significantly decarbonize their own value chains.

Our climate mitigation activities, aligned to the latest 1.5°C global warming science, include:

- The reduction of direct emissions in our own operations (Scope 1 & 2) through operational efficiency improvements and our renewable energy transition strategy
- The reduction of indirect emissions in our value chain by driving Scope 3 improvements through engaging and collaborating with our suppliers, driving additional value chain improvements and new designs and technology to reduce emissions

- Collaborating with our customers to avoid emissions in their own operations through the products and services we offer
- Ultimately, in alignment with SBTi standards, using carbon removal technologies to deliver our net-zero target, but with no reliance on carbon credits to achieve our near-term targets, in alignment with the latest guidance

With respect to climate change adaptation, a risk-based approach helps us identify and assess risks and opportunities and thus where we need to build further resilience into our own operations and value chain.

Our climate approach

	Climate change mitigation		Climate adaptation
	Reducing our own emissions	Reducing the emissions of others	Increasing permanent carbon removals
In our own operations	Reduce our direct emissions & procure renewable energy (Scope 1 & 2)	Collaborative customer and consortia projects on waste, transport, renewable energy, etc.	Protect our operations from physical risks
In our up- or downstream value chain	Reduce our indirect emissions (Scope 3)	Reduce the emissions of others through our products & services (avoided emissions)	Protect key supply chains from physical risks



Our commitments

With our long legacy of setting ambitious climate targets, we submitted our SBTs to the SBTi for validation, including an ambitious target of achieving net zero across our full value chain by 2045. In addition to our net-zero target, we have committed to interim near-term targets without the use of carbon offsets. These are:

- Reduce Scope 1 & 2 GHG emissions by 42% by 2030 from a 2021 base year
- Increase active annual sourcing of renewable electricity from 76% in 2021 to 100% by 2025 and continue active annual sourcing of 100% renewable electricity through 2030
- Reduce absolute Scope 3 GHG emissions by 25% by 2030 from a 2021 base year (from purchased goods and services, fuel-and-energy-related activities, upstream transportation and distribution, and waste generated in operations)

As a key requirement of committing to being a net-zero company by 2045 across our full value chain, we aim for a minimum decarbonization reduction of 90% across all scopes versus a 2021 baseline. In setting a baseline for SBTs it was necessary to balance the requirements set by the SBTi and selecting a year which best represented our business reality. 2021 was selected as it was a year for which we had complete data available for our legacy companies, as well as being post-Covid and prior to the disruption in the vitamin market.

Our decarbonization efforts focus on avoiding and mitigating GHG emissions. However, we will also look to neutralize any unavoidable residual emissions by means of carbon removals, using nature-based or other industrial-based solutions.

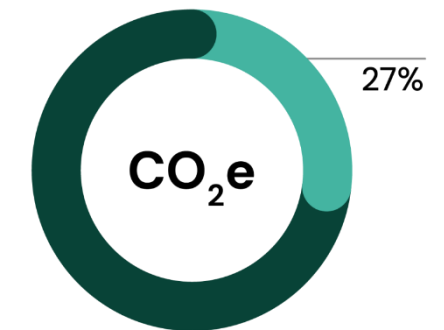
Progress

2024 was a big year for our company. In October, we achieved validation of our net-zero and near-term targets by the SBTi, aligned with the ambition of keeping global warming below 1.5°C. Submission of our climate targets for external validation underscores our unwavering focus on sustainability and our commitment to accelerate climate action alongside our customers and suppliers, whose partnership is essential to our collective success.

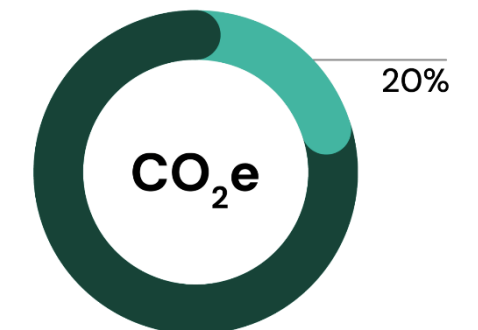
The year also saw the development of our first dsm-firmenich Climate Transition Action Plan (CTAP), which built on the already strong foundation of climate leadership laid down by our dual-legacy business.

This plan will help align our organization with the most ambitious climate recommendations by establishing specific strategies, setting ambitious targets, and defining clear accountability to ensure and track progress. Guided by the roadmaps consolidated into the CTAP, we continued to successfully execute against our plans, taking our global environmental responsibilities very seriously both within our own operations and in our broader value chains, as a significant part of our emissions are either upstream or downstream of our operations. Our 2024 progress is presented in the accompanying diagram.

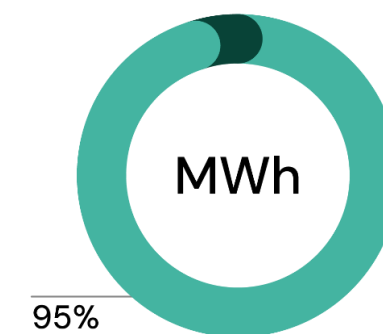
Scope 1 & 2 absolute emissions reduction versus 2021 baseline



Scope 3 absolute emissions reduction versus 2021 baseline



Purchased renewable energy



Our net-zero Roadmap

At dsm-firmenich we have led the way in decarbonizing our operations. With our newly validated SBTs, we are committed to building on that solid base and accelerate our Scope 3 action to reach net-zero by 2045.

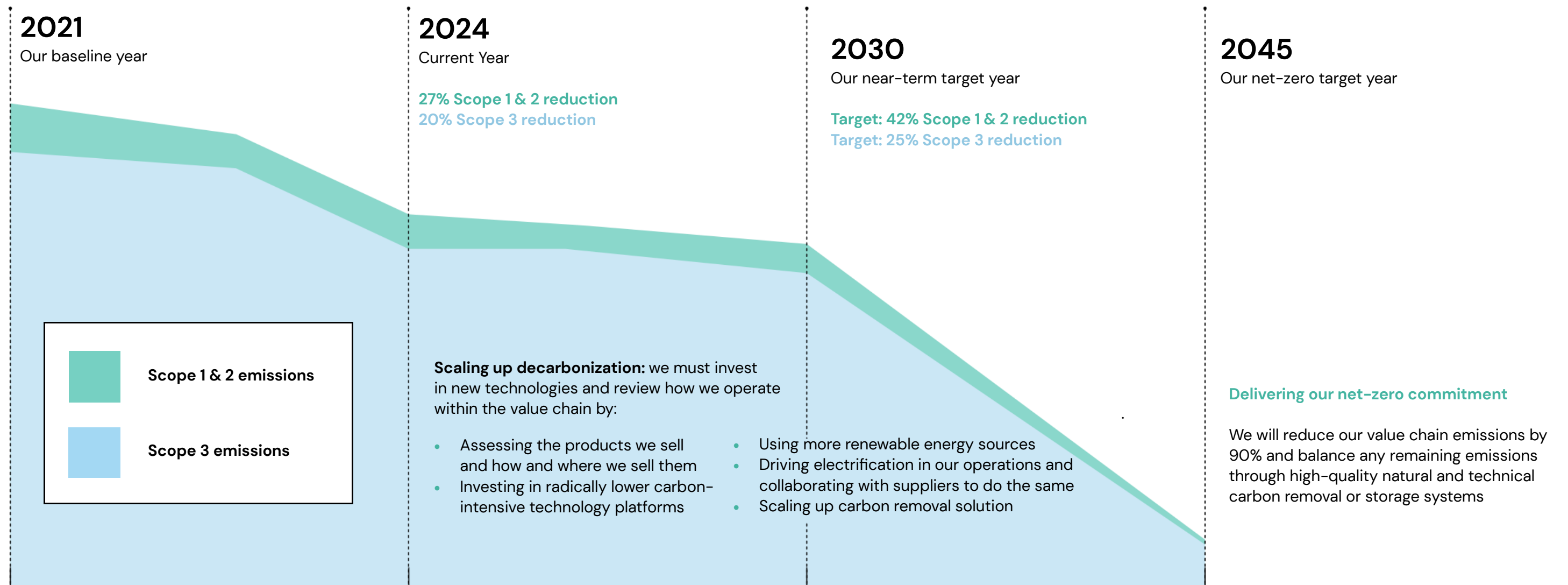
Accelerating climate action

We will decarbonize our own operations by:

- Reducing energy consumption
- Implement energy efficiency measures
- Transitioning to renewable electricity
- Transitioning to renewable heat
- Using renewable fuel sources
- Electrifying heat demand and energy

We will decarbonize our value chains by:

- Engaging and collaborating with suppliers
- Support the transition to renewable energy
- Using lower-carbon raw materials
- Using lower carbon feedstocks
- Improving our product strategy and supplier mix
- Harnessing sustainable agriculture and deforestation-free agriculture



Reducing our operational emissions

In 2024, our Scope 1 & 2 market-based GHG emissions amounted to 778.1 kt CO₂e, of which 594.4 kt CO₂e related to Scope 1 emissions and 183.7 kt CO₂e related to Scope 2 emissions.

These emission levels (excluding assets that were divested in 2024) represent a 27.45% reduction versus our 2021 baseline. This was achieved mostly through three main levers:

- The continued effort to improve our energy efficiency throughout the organization
- A further step-up toward our 100% purchased renewable electricity target with significant increases in China, for example
- The reorganization of our industrial assets

To achieve our current results and progress toward our targets, we developed a roadmap as part of the CTAP. This consists of three primary improvement pillars to Scope 1 & 2 emissions:

- 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

Toward more energy-efficient sites

A key pillar of our Scope 1 & 2 GHG reduction roadmap involves reducing our operational energy consumption by being more efficient. Various levers and technologies are being implemented to support this transition, such as:

- Operational optimization with the use of digital solutions
- The implementation of energy basics such as insulation and condensate recovery
- The selection of state-of-the-art utilities
- Various process optimizations involving, for example, liquid separation or using smart electrification technologies like heat pumps

Further details can be found in the [Climate change – Actions and resources](#) section.

A team of experts works with our production sites to identify opportunities to implement these technologies. This collaboration and the development of site roadmaps, combined with the transition to renewable energy, forms the basis of our Scope 1 & 2 GHG roadmap. The implementation of this multi-year project portfolio is projected to deliver average annual reductions of 20 to 25 kt CO₂e.

In our 2024 results, the GHG reduction contribution from this program is mainly linked to the roughly 50 projects implemented in 2023. We can highlight significant savings from our steam distribution network in Yimante (Hubei province, China); the generation of steam out of reaction heat losses in Lalden (Switzerland); the continuing roll-out of digital solutions like steam trap monitoring in Kingstree (South Carolina, USA) or energy dashboards in locations such as León (Spain).

In 2024, we continued to invest in the energy efficiency of our operations, implementing a comparable number of projects, costing around 10 million euros. We completed the implementation of a new state-of-the-art boiler

in Kingstree (South Carolina, USA), made steam distribution improvements in Port Newark (New Jersey, USA), introduced heat pumps in Minhang (Shanghai, China), and improved boiler efficiency in Belvidere (New Jersey, USA) and Brotas (Brazil).

Toward 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 and via credible claims. Our new commitment is to purchase 100% of our electricity from renewable sources by the end of 2025.

In accordance with strict RE100 technical criteria, we strive to switch to renewable electricity via long-term power purchase agreements, local retail contracts and, where not possible, local unbundled Energy Attribute Certificates (EACs). This is a fundamental part of our journey to reduce emissions in line with our SBTs and ultimately our long-term net-zero ambitions. We are progressing well toward this target; in 2024, 95% of our purchased electricity was from renewable sources.¹ Key steps toward this realization (with more detail in the [Sustainability Statements](#)) include:

- As well as maintaining 100% purchased renewable electricity in our North American and European operations, for the first time all our ANH premix sites globally and HNC premix sites in APAC and LATAM are at 100%
- All purchased renewable electricity in North America corresponds to long-term virtual power purchase agreements (VPPAs)

- All our sites in Europe are powered with 100% renewable electricity
- In 2024, we purchased 65% of electricity in China from national renewable sources as we concluded several long-term contracts

In addition to renewable electricity, we continue to use renewable sources for steam and heat, including biomass co-generation plants in Switzerland, France, China, and Brazil. We are optimizing the use of waste streams and are collaborating with external providers to assess possibilities for the energy transition. The focus on low-carbon heat solutions is key to our GHG reduction program and will continue to be the greatest challenge in our transition journey.

Reducing our value chain emissions

Our commitment to sustainability extends across the entire Scope 3 value chain, and we are pleased to report progress in reducing emissions beyond our own operations. Our absolute Scope 3 GHG emissions in 2024 amounted to 11,156t CO₂e. We reduced our Scope 3 GHG emissions for the in-scope SBTi categories vs. the 2021 baseline by 19.6%.

The significant part of the reduction since 2021 was driven by our reduced production and purchased volume guided by our business portfolio review. In 2024, we continued to increase our share of primary carbon footprint data, as over the years we have been able to track footprint improvements and capture the reduction efforts of our suppliers. Driven by product and volume mix, achieved reductions in emissions from purchased goods and services are the result of our engagement and

¹This is a 1% deviation with RE100 report. A small amount of unbundled EACs is used in regions with limited local availability, which will be covered locally when options become feasible.



collaboration with suppliers and the optimization of our supplier mix.

Reducing our upstream emissions

Our upstream emissions represent most of our greenhouse gas footprint. They arise mostly from our upstream supply chain, including purchased goods and services, fuel-and energy-related activities, upstream transportation and distribution, and waste generated in operations. Within the supply chain, the Purchased goods and services category is the single largest source of Scope 3 emissions. Our plan for achieving our newly validated Scope 3 target – 25% reduction in absolute Scope 3 emissions by 2030 from a 2021 baseline, plus a 90% reduction by 2045 – is included in our newly developed CTAP. The broad levers to decarbonize in Scope 3 can be found in the [Sustainability Statements](#), but some of the specific CTAP initiatives include:

- Actively engaging with our suppliers through our responsible sourcing framework and the 'Joining Forces for NetZero' program to drive collaborative decarbonization efforts. As part of this, we initiated a pilot program with 11 suppliers to develop material-level supplier emission factors. These will be scaled up to cover 60% of Scope 3.1 direct raw materials emissions by 2025
- Focusing on increasing renewable electricity in our value chain and transitioning to renewable energy when and where feasible. Collaboration is key in energy transition
- Process optimization can be applied within the company and upstream in the value chain. It includes increasing yields and making processes more efficient, which

results in less raw material for the same volume of product, shifting processes to reduce carbon impacts, as well as big shifts such as incorporating biotechnology

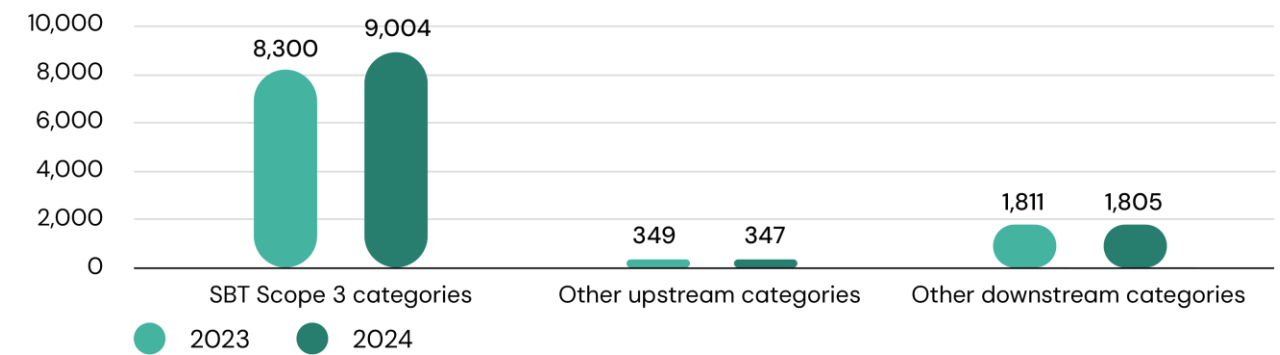
- Reductions in fuel- and energy-related emissions follow roadmaps developed and steered by our operations teams with a view to increasing energy efficiency
- We manage logistics through our third-party providers (3PL/4PL) and do not operate our own transportation or warehousing. This is implemented via a robust supplier selection process which focuses on sustainability and on identifying logistics providers based on their environmental performance and certifications.

Our logistics sustainability strategy focuses on:

- Measuring and reporting CO₂ emissions
- Managing and reducing emissions via actionable and effective strategies

To better measure our carbon footprint, we have implemented an online dashboard, capturing all our emissions real time, utilizing the data from our forwarders, with historic data going back to 2021. We also undertook multiple projects focused on CO₂ reduction, such as load optimization, and electric vehicles in Cotia, Brazil to deliver samples to our customers. For transportation and warehousing, we select logistics providers (3PL/4PL) with a strong sustainability agenda through a rigorous procurement process.

Decarbonizing Scope 3 emissions continues to be a challenge for our industry, with clean and harmonized data being crucial for success. In 2024, we made significant progress in



Scope 3 emissions by category

improving our Scope 3.1 reporting capability by sourcing activity data directly from Sievo, our procurement function's single source of truth for purchased data. This has enabled us to gain deeper insights into our largest source of emissions and to drive reductions through better production and consumption data.

In 2023, the Partnership for Carbon Transparency (PACT) published the PACT Methodology and Technical Specifications for Product Carbon Footprint Data Exchange, establishing the foundation for value chain carbon transparency. We were one of the 25 committed companies to be part of the annual implementation programs, which followed in 2024. These programs were geared to help companies and their suppliers achieve this transparency in primary data exchange. We will continue to build on this transparency and quality in our collected primary data which will enable targeted decarbonization in our value chain. Primary data have already enabled us to capture the decarbonization efforts and achievements of key suppliers for products like niacinamide and niacin.

Reducing our downstream emissions

We further support downstream efforts by sharing our carbon footprint through Environmental Product Declarations (EPDs), Imp'ACT Card™, and Ecotools for our businesses. We explore new innovations, such as the low-carbon sweetener, EverSweet®, our low-carbon vitamin C, Quali®-C, and even the recycling of toluene at our site in La Plaine (Switzerland). Our dedication to sustainability extends into our product range, where we actively engage in the eco-design of fragrances and flavor solutions with low carbon emissions, utilizing our digitally integrated tools EcoScent Compass® and EcoFood Compass®.

Climate change adaptation

To complement our efforts on climate change mitigation – reducing and stabilizing emissions to combat the root cause of climate change – we also assess the climate resilience of our assets and value chains. In line with the Task Force on Climate-Related Disclosures, we use climate scenarios to assess opportunities and risks for our business over various timescales



up to 2050. We are mapping the impact of physical climate change, both upstream (suppliers, natural raw materials) and downstream (end-market) and assess risks and opportunities related to our transition to the net-zero economy (in areas such as policy and legal, technology, market and reputation). The material risks identified through the physical and transition climate risk assessments are integrated and managed as part of our regular risk management processes. For more information, see [Climate change- Material impacts, risks and opportunities](#).

Physical and transition climate risk assessments

Own operations

Assessing climate risks in our business is a journey we began in 2020 and that continues today. In 2024, we expanded our screening on physical climate hazards to include data from an additional 17 sites. In line with prior studies, this study identified heatwave, drought and extreme precipitation as the primary (future) hazards. Sites most affected by heatwave and drought are in the US, France, the Netherlands, and Switzerland. We also completed five on-site deep dives to understand the (future) climate risks for our assets in greater detail. We are using the results to improve the business continuity planning of our sites and our Water Stewardship program (see [Nature](#)).

Value chain

In 2024, we continued our high-level screening to assess impacts of physical climate hazards on our main supplier locations. We screened 295 supplier locations and identified heatwave,

drought, and extreme precipitation as the primary (future) hazards. The supplier locations most affected by heatwave and drought are in the US, China, Germany, France, and the Netherlands. The study conclusions will be discussed with the procurement team and will help inform their procurement strategy, and they will reach out to suppliers to discuss climate resilience in the event of critical (future) climate hazards.

Avoided emissions

For our climate actions, we are committed to reducing our own GHG emissions in Scope 1, 2 & 3 according to the SBTi. Through this, our customers and actors further down the value chain are also enabled to lower their Scope 3 emissions and ultimately move closer to net-zero targets themselves. As a leading provider in nutrition, health, and beauty, we can play a key role in transforming the value chains in the direction of climate- and environment-friendly solutions. By partnering with customers and joining forces in emissions reductions, we can efficiently address the most urgent, sector-specific climate challenges.

Bovaer® continues to play a transformative role in reducing methane emissions across the agricultural value chain with cumulative avoided emissions of 220k tons of CO₂e by the end of 2024. By significantly reducing emissions, it provides a scalable, science-based solution to one of agriculture's most critical environmental challenges: climate change mitigation and advancing sustainable farming practices. In 2024, Bovaer® made substantial progress in its global rollout, gaining regulatory approvals in key markets and reaching more farmers

worldwide. Now present in 68 countries, it is bringing the vision of more sustainable dairy and beef farming closer to reality. In recognition of its impact, Bovaer® was named one of *TIME's Best Inventions of 2024*, underlining its role in advancing sustainable agriculture and its potential to drive global change.

Our performance solutions, including feed enzymes, eubiotics and mycotoxin deactivators, improve animal performance and feed efficiency and reduce waste, thereby reducing emissions related to producing animal protein.

With the help of our intelligent, sustainability service, Sustell™, farmers can accurately and credibly quantify the environmental footprint reductions associated with these solutions based on their own primary farm and feed data. Life Cycle Assessment (LCA) studies carried out with Sustell™ show that applying our feed enzyme solution ProAct 360™ in representative European poultry diets improved the digestibility of the feed, leading to more efficient feed utilization and a reduced carbon footprint of broiler production of up to 7%. If ProAct 360™ were to be applied to all European broiler production, approximately 3,700 kt CO₂e emissions could be avoided.

Our innovative waterless formulations for scalp and hair care provide the same performance consumers expect from liquid formats. They also significantly reduce the environmental impact of these products by transporting less water and minimizing packaging. Compared with a liquid shampoo, a powder shampoo with dsm-firmenich ingredients requires the transportation of 91% less water, thereby saving 42% of GHG emissions along the supply chain.

Brewers Clarex® is an enzymatic solution that prevents the formation of chill haze in beer while maintaining its quality. The efficiency of the brewery process as well as its eco-footprint can be improved by using enzymes to replace traditional treatments in the production process. Brewers Clarex® helped our customers to reduce their GHG emissions by approximately 143 kt of CO₂e in 2024. This happens without any impact on the desired properties of the end-product.



Nature

Nature provides critical ecosystem services such as water and biodiversity, essential for producing the ingredients we need today and tomorrow. Nature is also a permanent source of innovation, input, and inspiration for our scientific and creative thinking.

Biodiversity, or the variety of all living things on our planet, has been declining [at an alarming rate](#) in recent years, mainly due to human influences such as changes in land use, pollution, and anthropogenic climate change. Additionally, according to the United Nations (UN), [global freshwater demand](#) is predicted to exceed supply by 40% by 2030.

We believe we can contribute to the protection and restoration of nature by acting on water, biodiversity, and forests through our products, in and around our operations, and in our value chains. Climate and nature are deeply interconnected, and we increasingly address them in an integrated manner, as discussed in [Climate](#). Nature plays a crucial role in tackling climate change: it absorbs carbon, regulates natural processes, and helps us adapt. Addressing climate change depends directly on protecting and increasing biodiversity.

Building an enabling environment

In 2024, we signed the [Business for Nature \(BfN\) COP16 Business Statement](#) to urge governments to immediately strengthen the policies, incentives, and legislation that will drive the business actions necessary to halt and reverse nature loss by 2030.

BfN is a global coalition of influential partner organizations and leading companies. Its purpose is to drive credible business action and policy ambition with the object of achieving a nature-positive economy for all by 2030. We have been engaged with BfN since 2020 in the context of COP15 in Montreal (Canada).

Supporting services

Underpinning all ecosystem services; without these foundational services ecosystems could not be sustained. Examples are photosynthesis, soil formation and nutrient and water cycling, but also habitat provision for a range of species.

Regulating services

These moderate natural processes to maintain ecosystem balance, health, and resilience. Examples are pollination, erosion and flood control, carbon storage, and water purification.



Provisioning services

These are tangible resources or goods obtained from ecosystems. Examples are food, fresh water, medicines, and raw materials.

Cultural services

These provide non-material benefits from ecosystems that enhance the quality of life and human experience. Examples are recreation and tourism, cultural identity, spiritual and religious value as well as educational, and scientific value.



In October 2024, we were represented at [COP16](#), the 16th meeting of the Conference of the Parties to the UN Convention on Biological Diversity, held in Cali (Colombia).

COP16 was the first Biodiversity COP since the adoption of the Kunming–Montreal Global Biodiversity Framework (GBF) in Montreal in 2022. COP16 underscored the urgent need for collective action at speed and scale in support of nature-positive outcomes. It also marked a significant moment recognizing the synergies between climate and nature.

To ensure our work on nature is in line with the evolving landscape of nature-related roadmaps, frameworks and metrics, we closely follow the work of the Taskforce of Nature-related Financial Disclosures and Science Based Targets for Nature as well as developments on the part of organizations such as the [Nature Positive Initiative](#) and the [It's Now for Nature](#) campaign by BfN. We are also an active member of the World Business Council for Sustainable Development (WBCSD) and have been an endorser of the [CEO Water Mandate](#) since 2009.

In our own operations

Whether in our manufacturing or premix 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) Water & Biodiversity Risk Filter and the World Resource Institute Aqueduct tool to design actions to protect and then restore nature.

Water stewardship

Climate change is altering weather patterns and compromising 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. Our direct dependency is related to our withdrawal of water for our processes and our responsibility regarding the quality of the discharged water (for more information on water, see the [Sustainability Statements](#)).

Biodiversity management

Faced with the alarming pace of degradation of vital natural environments, we have an important role to play in biodiversity protection, as well as biodiversity conservation and restoration, especially in areas where we operate directly.

Although our manufacturing sites are mainly located in already industrialized areas, some of these may be close to high-risk or protected areas, which we have identified using the WWF Water & Biodiversity Risk Filter methodology. As an initial step, we are currently engaged in seven restoration projects at or around our operational sites that are located close to high risk or protected areas.

dsm-firmenich Indonesia, in collaboration with the NGO Mangrove, Jakarta.id and university students planted 500 Rhizophora mangrove seedlings in the Mangrove Conservation Area of



The status of our biodiversity restoration projects.

Pantai Indah Kapuk (PIK), Jakarta. The Mangrove Conservation Forest at PIK is a vital green space, serving as a crucial oxygen source and an effective CO₂ absorber amidst the city's concrete jungle.

Representatives from all departments participate, contributing to the enhancement of this important ecosystem. In addition to the planting activities, participants received valuable education on the importance of mangroves and their benefits, delivered by the Mangrove Ambassador of Indonesia. The growth of these newly planted mangroves will be closely monitored, reflecting dsm-firmenich Indonesia's commitment to environmental

sustainability and the preservation of critical green spaces in urban areas.

As part of our restoration efforts in India, we launched biodiversity initiatives near our plants in Dahej and Daman. These projects aim to transform degraded land into thriving pocket forests using the Miyawaki method, which creates dense, self-sustaining ecosystems through the planting of a diverse mix of native trees, shrubs, and grasses.

By introducing tens of thousands of plants, these pocket forests address critical environmental challenges such as biodiversity loss, soil erosion, and rising carbon dioxide



levels. Beyond their ecological benefits, these spaces also serve as valuable educational tools for local communities, raising awareness of sustainable practices.

Our site in Port Newark (New Jersey, USA) is dedicated to the ongoing restoration of a Conservation Management Area (CMA). The CMA, covering more than three acres, has been progressively transformed since 2016 from a patch of cut grass surrounding two retention impoundments and overrun with invasives into a thriving native meadow and estuary marsh, with diverse flora and fauna.

In October, dsm-firmenich Newark held its annual Newark Community Day, dedicated to the ongoing restoration of the CMA, which showcases our commitment to environmental stewardship and community engagement.

Since 2017, the CMA has been monitored and managed with the help of the annual Community Day, bringing together dsm-firmenich employees and fostering a sense of ownership and collaboration. Employees participated in activities such as planting native perennials and shrubs, assembling floating wetlands, and mulching trails, while positively deepening their understanding of ecology.

The success of the CMA project reflects our dedication to sustainability and environmental responsibility, demonstrating how corporate initiatives can positively impact both the environment and local communities, even in heavily human-impacted land such as Port Newark, New Jersey.

Resource efficiency

Resource efficiency is a critical lever for securing the sustained supply and use of raw materials, water access, and waste management. We strictly manage our hazardous and process waste to protect nature by minimizing negative impacts on human health and the environment.

Our sites are required to implement a management system to ensure compliance with all local regulations, and where possible, exceed them. Waste management is one of the first steps in increasing resource efficiency processes: such waste can also be valorized as starter for other industrial processes.

In our value chain

Our procurement

We recognize the importance of sourcing practices for raw materials that are highly dependent on biodiversity and natural resources. Through responsible sourcing, we strengthen and promote the protection and restoration of nature together with our growers at source. This includes efforts such as those outlined in our [Responsible Sourcing standard](#).

The Union for Ethical Biobased Trade (UEBT) has been our partner since 2013, supporting us in our work on the sourcing of natural ingredients. UEBT is a non-profit association that promotes sourcing with respect. It works to regenerate nature and secure a better future for people through the ethical sourcing of ingredients from biodiversity. This membership will continue to support our commitment to protect and restore nature

With regard to the EU Deforestation Regulation (EUDR), we are working to reach compliance with the regulation.

In 2024, our EUDR project team worked on a refined impact assessment to characterize and quantify our exposure and to determine the design of our EUDR compliance business process. Besides this, we worked closely with our suppliers to develop an aligned understanding of the requirements outlined by the EUDR. This involved engaging with our clients as to the impact of the EUDR on our sourcing policy and commercial portfolio.

More information about our current progress regarding responsible sourcing and nature as part of our procurement decision-making is provided in the [Supplier engagement](#) section.

In our products

Nature plays a key role in providing us with the inspiration for the development of new products as well as the resources necessary to produce our products. In this field of activity, we act to protect and restore Nature in the following ways:

- Sustainability is at the heart of our innovations. Supported by our dedicated Life Cycle Assessment (LCA) team, we monitor over a wide range of sustainability metrics, including land use change and land use data. Read more in [Perfumery & Beauty](#)
- We increasingly use 'upcycled' ingredients obtained from the valorization of leftovers from raw materials and by-products or waste. Our naturome fruit ingredients are the by-products of fresh fruit puree production, performed by our longstanding

Naturals Together™ partner Trade Solutions. Read more in [Taste, Texture & Health](#)

- The environmental footprint and other sustainability features of our solutions are transparently communicated with customers through our Sustainability Imp'ACT Card™ which are now available for all our core straight ingredients. Read more in [Health, Nutrition & Care](#)
- We are continually working with our customers and partners in the value chain to improve the efficiency and sustainability of animal protein production through the application of precision nutrition. Read more in [Animal Nutrition & Health](#)



Stakeholder engagement

Our commitment to sustainability and excellence is reflected in our engagement with a diverse group of stakeholders. This includes employees, customers, suppliers, investors, and our communities. We believe that fostering strong relationships with these groups is essential to both our success as a business, and our wider sustainability goals.

Our employees are the backbone of our organization, driving innovation and excellence in every aspect of our business. More information on how we engage with our people can be found in the [People](#) section.

Our customers and suppliers are our innovation partners, and we strive to build mutually beneficial relationships with them. Information on how we engage with our customers is in [Our Businesses](#) section.

Investors play a crucial role in our growth and development, and we are committed to maintaining transparency and accountability in our financial and sustainability performance. Our engagement with our communities and the partnerships we have built reflects our dedication to making a positive social and environmental impact.

We measure our performance and progress through external ratings and certifications to ensure we meet the highest standards of sustainability and corporate responsibility. This approach not only enhances our credibility but also helps us continuously improve and adapt to the evolving needs of our stakeholders.



Internal engagement on sustainability

Internal engagement on sustainability is enabled by ensuring that sustainability governance is embedded into the organization. Functional leadership teams have been established to manage specific sustainability-related topics. These teams are chaired by a senior executive.

Sustainability at Group level

At Group level, sustainability is steered by the Global Sustainability Leadership Team (GSLT). The GSLT is composed of senior sustainability leaders representing Group Sustainability, our Business Units, and representatives from the Operations, Procurement and Science & Research functions. The GSLT is chaired by the Chief Sustainability Officer (CSO), who has a direct reporting line to the CEO. The GSLT drives the sustainability agenda of the company and ensures that this is translated into the sustainability strategies of the Business Units and functions. Key topics on the GSLT agenda include climate, nature, social impact (including human rights), nutrition, and sustainability reporting.

The GSLT is supported in its work by the Group Sustainability function, under the leadership of the CSO. This group of experts identifies emerging sustainability trends, provides topical expertise, and supports the company on cross-cutting sustainability themes. Furthermore, Business Unit sustainability teams ensure the identification and management of Business-Unit-specific topics, priorities, and strategies.

Operations Committee

The Operations Committee is chaired by our Chief Operations Officer (COO). This Committee consists of the functional leaders of Operations, SHE&S, Procurement and Supply Chain and ensures the multi-disciplinary connection between these functions.

Operations and Safety, Health, Environment & Security (SHE&S)

Our Operations Leadership Team (OLT) drives excellence and provides us with a competitive advantage in operations. It defines our operations strategy and ensures consistent application of our operational standards by providing overall direction, developing our company wide SHE&S community, and identifying and jointly executing synergies and value creation.

The SHE&S Leadership Team (SHE&S LT) ensures that our SHE&S standards meet the requirement to assure the safety and health of our employees and customers, and to protect the environment and our assets. This LT is supported by our functional leadership teams and functional networks. Their role is to connect the overarching strategies and standards with the work of planning and execution carried out by our functions and Business Units.

Human Resources

The Human Resources Leadership Team (HRLT) is responsible for our holistic human resources (HR) agenda. It is chaired by the Chief Human Resources Officer, who is a member of the Executive Committee. The HRLT, composed of the Heads of the Group HR expertise areas and Business Unit HR Heads, sets the strategic direction for HR and aligns the Group and the Business Unit HR agendas. It is supported by the extended leadership team, which discusses cross-cutting HR projects, and provides inspiration and expertise on HR topics, including opportunities for improvements and the application of best practices.

Procurement

The Procurement Leadership Team (PLT) is responsible for driving the implementation of our responsible sourcing ambition and regularly reviewing progress. The Chief Procurement Officer (CPO), who chairs the PLT, reports directly to the COO and is responsible for managing the responsible sourcing team, which oversees the deployment of the responsible sourcing framework within our supply chains. The responsible sourcing team, led by the Vice-President Responsible Sourcing, defines the strategy, framework, guidance, and priorities. The Vice-President Responsible Sourcing has a dual reporting line to both the CPO and the CSO. Additionally, the GSLT serves as a sparring partner to ensure that our responsible sourcing strategy aligns with the Group's broader ambitions and commitments.

Science & Research

Science & Research is at the heart of dsm-firmenich's drive for ever greater sustainability. This is underpinned by our green chemistry principles, innovations in biotechnology, and much more. In fact, sustainability is deeply embedded at all levels of Science & Research, including within each of our eight main science capabilities. Sustainability criteria are woven into every stage our innovation management process, and sustainability criteria are used to guide project prioritization. Science & Research is represented in the GSLT.



Supplier engagement

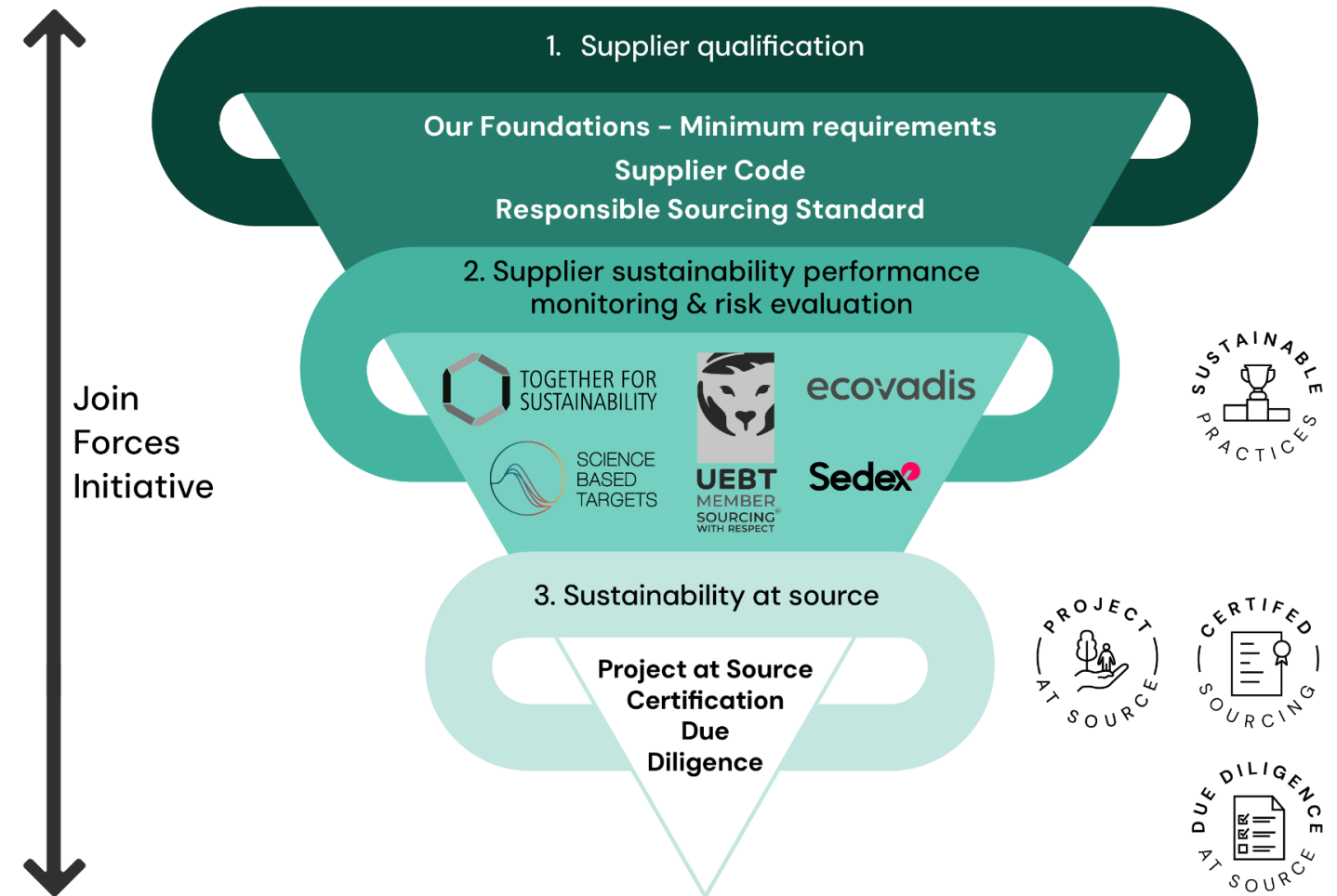
To support our business growth, create sustainable value for our customers, and maximize our positive impact on both People and Planet, our procurement teams join forces with our suppliers.

This serves as a roadmap to drive meaningful progress for all stakeholders in our upstream supply chains. By embedding responsible sourcing into our decision-making processes, we aim to operate in the most ethical, traceable, and sustainable value chains to achieve our purpose of *bringing progress to life*.

Our responsible sourcing framework consists of three layers and is supported by our overarching Supplier Engagement Program, known as *Join Forces*. This framework is implemented by our responsible sourcing team, which reports to the Chief Procurement Officer (CPO) and Chief Sustainability Officer (CSO) to ensure strong alignment with our Sustainability Group's objectives and our sourcing decision-making process.

Supplier qualification

Our dsm-firmenich [Responsible Sourcing standard](#), implemented in April 2024, is designed to engage suppliers as partners on our ambitious sustainability journey, starting with the qualification step. It complements our [Supplier Code](#), offering clarity on our priorities and expectations for suppliers in terms of People and Planet performance. The Standard applies to all our suppliers that contribute to our value creation process. We request that our suppliers thoroughly review this document and comply with its requirements. While the Standard directly applies to our suppliers, we also expect them to extend similar standards throughout their own supply chains.

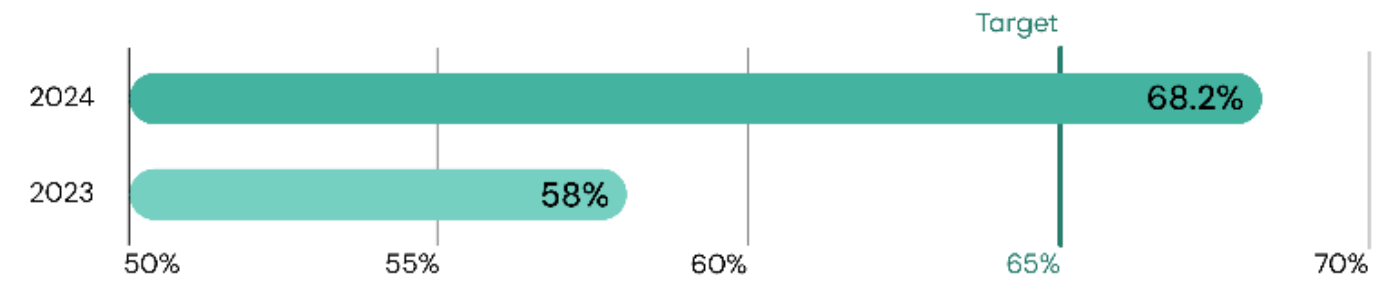


Supplier sustainability performance

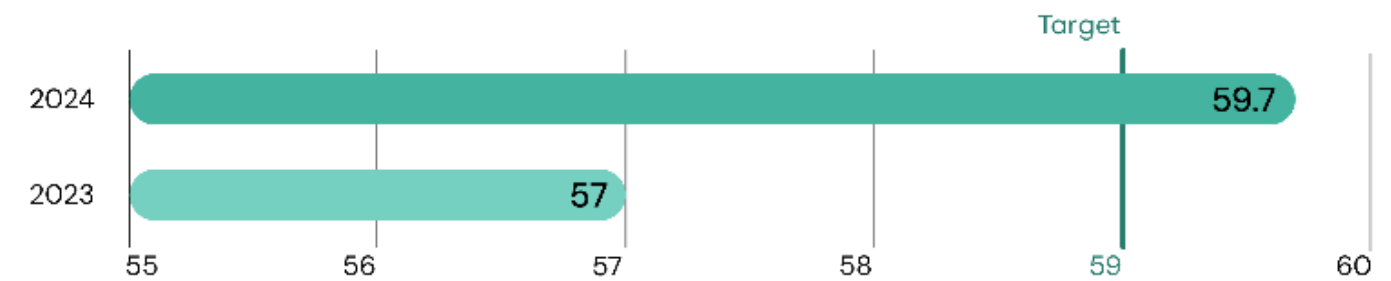
The 'Supplier sustainability performance' pillar serves as the second layer in our framework. It involves collecting and analysing supplier data from third parties such as EcoVadis, SEDEX, Union for Ethical BioTrade (UEBT), and the Science-Based Targets Initiative (SBTi). Requirements and suggested improvements are defined in close collaboration between the responsible sourcing, procurement, and Business Unit teams.

In 2024, our focus was on equipping our procurement teams with enhanced sustainability knowledge, tools, and data to foster meaningful sustainability discussions with suppliers. A key initiative was the integration of Ecovadis' sustainability ratings, our suppliers' SBTi targets data, and risk management tools into our procurement analytics tool, enabling us to evaluate and compare suppliers based on environmental, social, and governance (ESG) data as well as business criteria.

Consolidating diverse data sources into a single platform gives us a more comprehensive overview of suppliers' sustainability performance, ethical practices, and climate commitments. It also strengthens our procurement teams' decision-making capabilities in supplier development and selection. This comprehensive approach has not only improved our risk management but has also ensured compliance with sustainability standards, thereby enhancing our company's reputation, and reducing potential risks.



Average EcoVadis score of our rated supply chain partners



Spend covered with EcoVadis assessments

In 2024, we assessed 1,222 suppliers on their sustainability performance through EcoVadis, covering 68% of our spend with an average score of 59 points. 65% of suppliers who performed a reassessment showed an improved score compared to the previous year, reflecting our shared ambition for continuous improvement toward sustainable value creation.

We also coordinated 120 on-site supplier audits, in line with our annual risk-based audit plan, to get an independent verification of our suppliers' adherence to laws and regulations. All corrective actions of the audit are checked for closure (with supporting evidence) through follow-up meetings with the supplier.

Additionally, we collect data from sustainability assessments to drive discussions on potential improvements. When the rationale for engagement is an overall score increase, we directly engage with the supplier, requesting them to complete corrective actions and resubmit their assessment. In cases where the rationale is more critical, such as severe deviations uncovered through a due diligence field assessment or third-party alert, we may extend the engagement with our suppliers in the field to our suppliers' suppliers (and potentially beyond) – while considering their individual risks, perspectives, and impacts. In mid-2024, we also trained our entire procurement community through digital classrooms, teaching them how to effectively



use this data in their daily operations. We further developed a responsible sourcing training program for new procurement employees, emphasizing the importance of sustainability from day one when engaging with suppliers. Our procurement teams completed the training equipped with access to the sustainability performance of their portfolio, communication kits for suppliers, and the knowledge needed to drive key discussions and align expectations with our partners.

We integrated our responsible sourcing targets – on EcoVadis coverage, EcoVadis average scores, SBTi coverage (see [Fighting climate change](#)) and training of underperforming suppliers on human rights (see [Workers in the value chain](#)) – into every procurement employee's annual performance review. This strategic alignment ensures sustainability is integrated into business decisions.

As part of our sustainability commitments, we monitor and encourage supplier diversity and inclusion where possible. In 2024, we continued with two initiatives to drive positive change through our purchasing power:

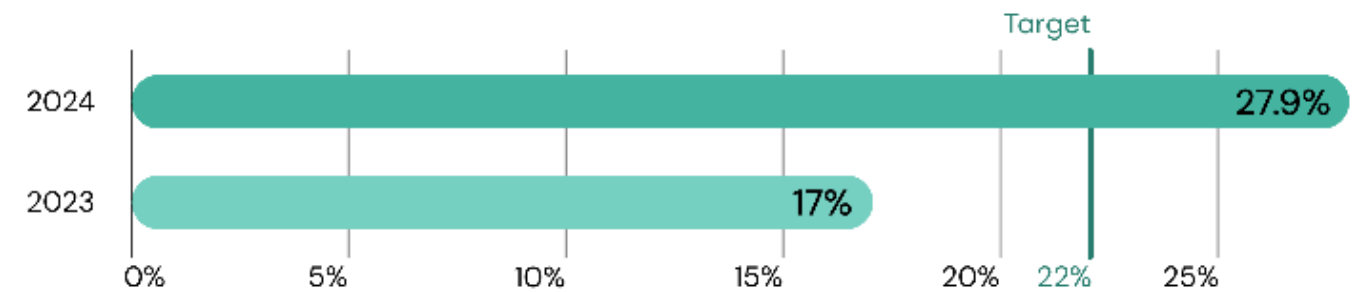
- **A U.S. Supplier Diversity program:** for women-owned businesses and ethnic minority-owned businesses
- **Our Inclusive Sensory Panels program:** hiring blind and visually impaired professionals through external agencies in China, Mexico, UK, Switzerland, India, South Africa, and Singapore

Due diligence and Sustainability at Source

We drive further transformation and positive change through collaborations at the source, particularly in value chains with increased exposure to sustainability risks. This reflects our belief that driving sustainability requires action across the entire value chain and demands resources and expertise from us, our customers, and our suppliers. These collaborations result in initiatives such as Sustainability at Source projects, upstream due diligence exercises, supporting suppliers in obtaining third-party verification (e.g., raw material certification), and implementing traceability tools and processes. Typically, Sustainability at Source projects, arising from these collaborations, last three years and aim to contribute to:

- **Social impact:** (e.g., women's empowerment, human rights, living wages, and Diversity, Equity & Inclusion (DE&I))
- **Climate and environmental improvement:** (e.g., sustainable farming practices, regenerative agriculture, biodiversity conservation, and responsible water consumption)

In 2024, we focused on strengthening our company's due diligence framework and governance, which has been reviewed by a third party. Following a review of current practices, the framework was assessed against established standards, including the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Responsible Business Conduct. Additionally, our due diligence efforts align with the UN Sustainable Development Goals by promoting sustainable, inclusive, and



Share of suppliers by spend with SBTi-validated targets

equitable economic growth. This framework encompasses our upstream activities and covers both direct and indirect business partners. For more information on our due diligence activities, please refer to the section on [Workers in the value chain](#). A detailed example of how we perform due diligence is available in [Our Story](#) on driving positive social impact within our pink pepper supply chains.

Accelerating climate action

To contribute to our net-zero journey, we invite our suppliers to set SBTi-aligned targets. Our suppliers' efforts to meet their own SBTi targets will support our commitment to achieving net-zero emissions by 2045. To date, 27.9% of our spend is with suppliers who have validated SBTi targets, compared to 17% in 2023.

Additionally, suppliers that contribute significantly to our Scope 3 emissions are asked to share their Product Carbon Footprint (PCF) data with us and to develop a product roadmap aligned with our near-term target of a 25% reduction in greenhouse gas (GHG) emissions by 2030, compared to 2021. As a member of the World Business Council for

Sustainable Development (WBCSD) Partnership for Carbon Transparency (PACT), we strongly encourage our suppliers to develop PACT-compliant PCFs.

In the second half of 2024, we ran a pilot on the above program with strategic suppliers to exchange feedback, best practices, and identify improvements. This pilot successfully resulted in obtaining GHG emission data from key materials that we source, increasing the share of primary emission data from our sourced volumes to 7.5%. Additionally, we ensure our suppliers have access to necessary resources, – primarily in the form of online educational materials – to help them improve their performance independently. Read more on our ambitions to fight climate change in [Climate](#).

Our Joining Forces program for suppliers and stakeholders.

We recognize that sustainability is a complex challenge that cannot be tackled alone. As our environmental data reveals, over 90% of our Group's emissions come from upstream value chain partners. Due to the complexity of global supply chains, we rely on our partners to



identify and address any adverse societal impacts that may arise from our operations.

In that view, we launched our Supplier Engagement program: 'Joining Forces for Responsible Sourcing in 2024'. On April 16, we connected – both in our Swiss headquarters and virtually – with 700 suppliers, partners, and colleagues from approximately 40 countries, representing around 30% of our spend.

The event began with a thought-provoking conversation between our CEO, CSO, and CPO on the importance of sustainability, its integration within our organization, and the business necessity it presents. We then heard from a key customer, who emphasized the importance of collaboration within supply chains. The event concluded with three break-out sessions focused on climate, human rights, and sustainability assessments, each designed to engage our suppliers in the collective achievement of our sustainability ambitions and targets. Representatives from the UN, EcoVadis and a large climate engagement consultancy joined the workshops.

The event received overwhelmingly positive feedback from our suppliers, with our suppliers' understanding of our expectations and requirements increasing by 40%.

We also hosted the second dsm-firmenich edition of our internal Procurement Awards to recognize and celebrate outstanding initiatives within our procurement team. These awards highlight exceptional projects that align with our procurement priorities: EBITDA improvement, cash optimization, Catalyst for Growth (C4G) mindset, responsible sourcing, and capabilities. This year's winners showcased exemplary

cross-functional collaboration and innovation, delivering significant impacts across various Business Units and Business Partners.

One of the standout initiatives from our 2024 Procurement Awards was the project focused on securing sustainably certified geranium bourbon oil for a major fragrance launch. Our procurement and responsible sourcing teams collaborated to identify and validate a new supplier in a high-risk region. The project not only enhanced supply chain stability but also reinforced our commitment to ethical and sustainable sourcing, positioning us for continued success in the market.

Exceptional supplier performance with respect to sustainability is encouraged and rewarded by dsm-firmenich. We remain eager to learn from and co-develop solutions with our suppliers, and we are committed to rewarding those who proactively support us in derisking our supply chains and driving positive impact.

In line with this ambition, we organized our very first dsm-firmenich Supplier Sustainability Awards at the end of 2024. Our procurement team invited suppliers to submit initiatives related to our three focal points – People, Planet, and Progress – with a jury drawn from our responsible sourcing and Procurement LTs selecting the winner.

We are proud to announce VERGER as the recipient of the award for their outstanding Fair for Life Certification initiative. This initiative focuses on empowering farmers, promoting fair wages, and fostering sustainable farming practices. VERGER's commitment to ethical business practices and community development has set a high standard in the

industry and aligns perfectly with our values of social responsibility and environmental stewardship. Their innovative approach not only enhances the livelihoods of marginalized producers but also contributes significantly to environmental conservation.

Leveraging the power of partnerships

As with our approach to supplier engagement, we firmly believe in collaborating with like-minded institutions to drive impactful change across value chains and industries.

To achieve this at scale, we work closely with sector initiatives and participate in industry initiatives, platforms and discussions. We are an active partner in strategic responsible sourcing coalitions such as Together for Sustainability (TfS). This industry-leading initiative encourages members to share supply chain scores, enabling us to leverage insights gathered by others to improve our understanding of our supply chain's sustainability performance.

We are committed to various sustainability initiatives at the supply chain level to create collective impact at scale. For example, we are involved in The Sustainable Vanilla Initiative (SVI), a voluntary industry group focused on ensuring the long-term, stable supply of high-quality vanilla produced in a socially, environmentally, and economically sustainable way.

Additionally, we are an impact sponsor of the United Nations Global Compact (UNGC) Decent Work Platform, which aims to build consensus within the business community on key principles of decent work.

Our team was also actively involved in various conferences across the year, including speaking engagements at the 2024 UEBT Annual Summit, the 47th Annual Conference of the International Federation of Essential Oils and Aroma Trades (IFEAT), and the 2nd European Supply Chain Decarbonization Summit on end-to-end transparency of emissions across the supply chain.



"Receiving dsm-firmenich's first-ever Supplier Sustainability Award is an extraordinary milestone for VERGER. Their willingness to embrace the inherent

complexities of raw materials and collaborate with suppliers exemplifies how natural sourcing is not just a transaction. We are grateful for this partnership and energized by the opportunities ahead."

Nuwan Delage, Managing Director, VERGER



Investor engagement

We are committed to creating value for our shareholders through both our business operations and our value chain. This means being a future-proof, sustainable investment for capital providers, who look for growth in our company value.

We create sustainable value across three key areas: minimizing environmental, social, and governance (ESG) risks; maximizing positive impacts on society and the environment (including aligning with the Sustainable Development Goals); and leveraging sustainability as a business driver to enhance financial returns.

Transparent communication

Transparent and open communication of accurate financial and relevant non-financial information to shareholders and the financial markets ('investors') is crucial for us. All information in this category is readily accessible to the public via our [website](#). We engage with investors not only through the Annual General Meetings but also through events such as our Investor Days, teach-in events, roadshows, conferences (both in-person and virtual), and individual meetings.

We reach out to both financial and ESG advisors who cover our company on behalf of their financial market clients. This group includes brokers, credit rating agencies, proxy advisors, shareholder representative organizations, and ESG rating agencies. We greatly value our investors' feedback, which is regularly reviewed and evaluated at the meetings of the Executive Committee and the Board of Directors.

Updating investors on our progress

We consistently keep our analysts and investors informed about the progress of the merger between DSM and Firmenich, along with our business, financial, and ESG performance. We do this through roadshows, conferences,

and one-on-one meetings. In February 2024, we organized a teach-in event in Princeton, USA, as a follow-up to the teach-in held in Geneva, Switzerland in November 2023. All these events provided an opportunity to highlight the seamless integration process, both operationally and culturally, through examples drawn from our Business Units. We gave numerous presentations and demonstrations, showcasing our commitment to delivering essential, desirable, and sustainable solutions.

In June 2024, we hosted a Capital Markets Day in Paris, in which we updated our stakeholders on the progress of our strategy, sustainability ambitions, and financial and sustainability targets. In the same month, we introduced our ESG Sustainability Factbook, a valuable resource for investors and ESG rating agencies. This comprehensive guide provides detailed insights into key ESG performance indicators.

Engaging with the market about sustainability

We are committed to expanding our positive impact on people, climate and nature, while also ensuring sustainable financial returns for our investors. We work to stay at the forefront of sustainability reporting and ensure we comply with required current and future requirements from the relevant regulating authorities. These include the EU Sustainable Finance Action Plan, the EU Green Deal, the EU Taxonomy, the EU Corporate Sustainability Reporting Directive, and the Swiss Code of Obligations.

In 2024, we engaged with our investors and their representatives on sustainability topics such as the solutions we bring to market to reduce carbon emissions and protect nature

and biodiversity. On the social side, we ran initiatives about promoting human rights in all aspects of our business, ethical conduct, and diversity, equity and inclusion (DE&I), including how we collaborate on initiatives that promote social justice and equality. We also engaged on governance-related topics, including how we secure compliance with all relevant laws and regulations. Emerging topics in our discussions with investors include how we securely utilize digital tools, including artificial intelligence.

We actively participated in projects with the World Business Council for Sustainable Development and engaged with the Institutional Investors Group on Climate Change to develop a net-zero transition plan, including the Nature Action 100 Global Investor Engagement initiative. Additionally, we collaborated with ShareAction, an organization dedicated to enhancing responsible investment standards through direct investor engagement. In terms of governance and stewardship, we engaged with Ethos in Switzerland and Eumedion in the Netherlands.

In 2024, we continued our engagement with leading ESG ratings and benchmarks advisors to the financial sector, including Sustainalytics, MSCI, Moody's-Vigeo, and ISS-ESG, as well as with Bloomberg and Standard & Poor's.



ESG ratings and certifications

Sustainability is an overarching goal of our company, but we also like to think about it in material terms. This is reflected by our inclusion in several environmental, social, and governance (ESG) benchmarks and ratings, many of which rate us as a (sector) leader. Given the number of ESG benchmarks, participating in each one isn't feasible, so we annually review and prioritize participation.

In 2024, our priorities and outcomes were:

CDP

We maintained our leadership position in CDP Water Security and achieved management level for CDP Climate Change for our disclosures in 2024 on the reporting year 2023.

EcoVadis

We hold a Gold medal from EcoVadis. The Gold rating places us in the top 5% of all companies assessed in by EcoVadis in the past 12 months.

FTSE4Good

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

ISS

We were assessed at the end of the year with a low-risk rating from ISS QualityScore. ISS ESG reconfirmed dsm-firmenich as 'Prime' according to its rating methodology. Our rating of B- puts us in the top decile relative to our industry group.

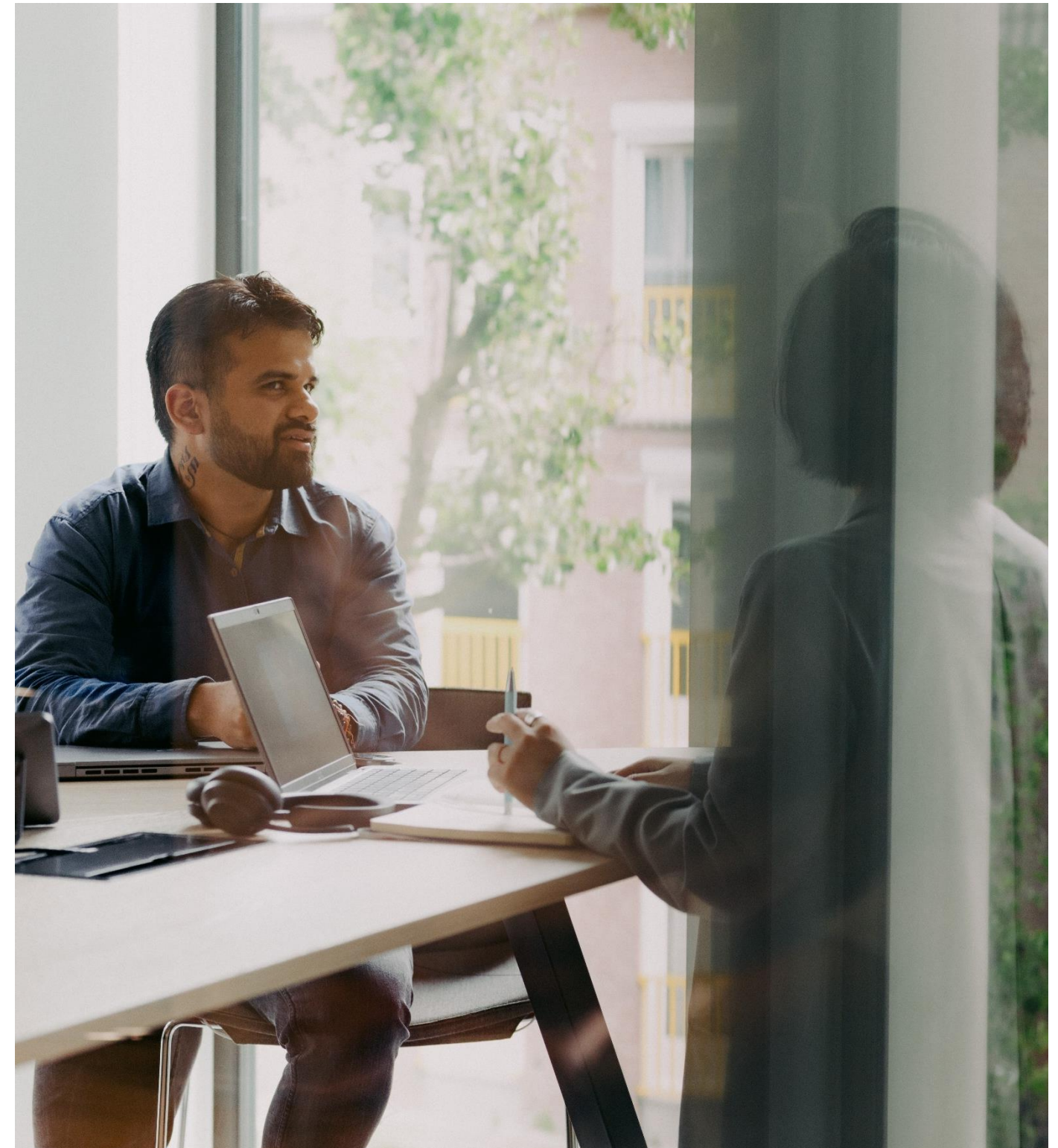
MSCI

MSCI rated us as 'AA', highlighting carbon mitigation program and business ethics practices.

Sustainalytics

Sustainalytics assessed us as being at low risk of experiencing material financial impacts from ESG factors, with the company being included in the Top-Rated ESG Companies List.

In 2025, we will add Bloomberg ESG and Standard S&P Global CSA to our priorities.



Community engagement

We engage with the communities and regions where we are located, addressing local needs across a range of topics. While it is not possible to list every single engagement, the map opposite highlights a number of great examples from across our global footprint.



Partnerships

We are committed to accelerating the sustainability transition but recognize we cannot do it without a collective effort. To truly bring progress to life we need partners across our value chain, including businesses, consumers, NGOs, governments, and academia. Together, we strive to make a positive impact on both People and Planet.

World Business Council for Sustainable Development (WBCSD)

As a member of the WBCSD, we participate in various working groups and initiatives and our Chief Sustainability Officer (CSO) is both a WBCSD Council member and a Board member of the Agri-Food pathway.

In 2024 we contributed to work on healthy and sustainable diets by helping to develop the 'Accelerating Food and Nutrition Security through Food Fortification', a private sector playbook that will be published in February 2025. We also contributed to the alignment and development of regenerative agriculture metrics, supported work on Sustainable Portfolio Steering and joined the steering committee of an initiative which is developing a sector-agnostic standardized methodology to assess sustainability risks and opportunities and steer product and service portfolios toward sustainable solutions. We also participated in WBCSD's climate work, particularly around climate accounting topics.

World Economic Forum (WEF)

We are a strategic partner of the WEF and actively participated in both virtual and in-person events throughout 2024 such as the annual meeting in Davos in January. We are also a member of the Agriculture, Food and Beverage industry community and participate in initiatives like WEF's Centers for Nature and Climate, Health and Healthcare, New Economy and Society and Fourth Industrial Revolution. We are also part of C-suite communities that bring together leaders in the same position across organizations to collaborate and drive progress on key issues.

Our CEO is a member of the Alliance of CEO Climate Leaders, an active leadership community within the Center for Nature and Climate which is committed to reaching net-zero emissions by 2050. We also committed to the Alliance's Scope 3 upstream action plan to scale collaborative action across value chains and drive impact. The plan offers a framework to achieve near-term supply chain emission reductions by collaborating with suppliers.

United Nations Global Compact (UNGC)

We have been a signatory to the UNGC through DSM since 2007, and Firmenich since 2008. We commit to annual communications on progress toward implementing UNGC's Ten Principles in the areas of human rights, child and forced labor, the environment and anti-corruption. We are members of the UNGC Network Switzerland & Liechtenstein, Global Compact Network Nederland, and are a Global Compact Impact Sponsor for Labor and Decent Work. We also joined the Think Lab on Living Wage and the Business and Human Rights Accelerator and contributed to the Living Wage Analysis Tool.

Swiss Food & Nutrition Valley (SFNV)

SFNV is a purpose-driven, nationwide, not-for-profit association that strengthens and promotes international food system innovation. Firmenich was one of the Valley's founding partners and has been represented on the Executive Committee since its creation. Driven by a value of collaboration, we work alongside other partners like Nestlé, Tetra Pak, Bühler to explore the role of large enterprises in pioneering future-proof food systems. Valley also contributes to the global dialogue around processed foods, provides start-up support

and works to strengthen Switzerland's attraction and talent development. In 2024, the Valley signed a letter of intent with the UN's Food and Agriculture Organization (FAO) to build a scaling hub to drive food system transformation in low- and middle-income countries. We look forward to continuing to actively engage in these joint projects in 2025.

European Round Table for Industry (ERT)

dsm-firmenich is a member of the ERT, a group focused on creating a strong, open, and competitive Europe by promoting sustainable growth, jobs and prosperity for all. ERT members include CEOs and Chairs from around 60 of Europe's largest companies in the industrial and technological sector.

Dutch Sustainable Growth Coalition (DSGC)

The DSGC is a CEO-led coalition of eight multinationals which aims to drive sustainable growth business models that combine economic profitability with environmental and social progress. The coalition of CEOs uses their leadership for the development toward a future-proof world and sustainable growth. The DSGC stimulates activities and international cooperation in value chains and between sectors to help achieve the SDGs. In 2024, the DSGC hosted a large-scale C-level event, bringing together over 60 CEOs and other leaders from businesses, knowledge institutions, and the Dutch government to explore leadership during times of transition. Moreover, the DSGC organized knowledge exchange sessions between company experts and Dutch ministries. DSGC is supported by VNO-NCW and facilitated by Accenture.



Business ethics

We conduct business in an honest, transparent, and ethical manner. Our team oversees a global business ethics program that goes beyond box-ticking compliance, providing active and targeted support to management and employees.

Following the 2023 merger, 2024 saw the introduction of common Group policies and standards governing our own business ethics and the standards expected of our suppliers.

Code of Business Ethics

Our [Code of Business Ethics](#) outlines our values and commitments to each other, our communities, and our planet. It is both a reference document and a day-to-day manual, guiding our people on how we do and do not conduct business. This is elaborated upon in our business principles, which clarify key issues, help us make the right choices, and underline how we expect everyone at dsm-firmenich to act with integrity in their daily work.

Our Code is universal. It applies globally to everyone in our company whenever they are on company business, and is applicable at our offices, sites, warehouses, and any other dsm-firmenich location. In October 2024, we launched a Code of Business Ethics training to ensure that everyone understands the importance of adhering to our principles of integrity, ethics and compliance.

Our Code helps our employees understand the values and principles that apply to their work at and with dsm-firmenich. Any act or omission on the part of an employee that breaches the Code is regarded as a potential breach and may lead to disciplinary action up to and including termination of employment. According to HR data, in 2024 there were 99 cases of termination due to breaches of the Code of Business Ethics.



We're all responsible for ensuring that every day we meet the highest ethical, fair and transparent standards. Together, with integrity, we bring progress to life."

Jane Sinclair, Chief Legal, Regulatory, Risk and Compliance Officer



Group Policy framework

More detailed explanations of how our business principles are applied can be found in our Group Policy framework. This framework is also used to foster efficient and effective business processes, and to mitigate risks.

- Position statements clarify our positioning on ethical topics related to specific areas of our business for our external stakeholders. They are published on our website
 - Group policies explain the rationale behind the ethical positions we adopt, our managerial intent, and the key elements of the relevant governance structure. Our Group policies also define the requirements for employees working in our Business Units and Business Partner functions
- Group standards provide further detailed guidance on how to comply with the requirements of our Group Policies in a correct and consistent manner

Group policies and standards are usually published only internally

Supplier Code and Responsible Sourcing Standard

As a trusted partner to our stakeholders, we strive to operate to the highest standards. We desire only to engage with others who commit to operate to the same standards, with the objective of achieving an ethical, traceable, and sustainable value chain. These standards are articulated in the principles set forth in our [Supplier Code](#) and [Responsible Sourcing standard](#), which is embedded in the Supplier Code.

All suppliers are expected to follow our Supplier Code, the Responsible Sourcing standard, and all relevant laws and regulations. We assess adherence via supplier self-assessment questionnaires, as well as through on-site or desktop audits. We use external (live alerting) platforms that provide relevant information (background, current events and potential



threats) on our business partners. Any breach of our Supplier Code or Responsible Sourcing standard may lead to the discontinuation of the collaboration with dsm-firmenich and to possible legal sanctions.

Likewise, to ensure ethical business conduct on the part of agents and distributors who act on our behalf or deal with dsm-firmenich products further down the value chain, we expect these third parties to work according to the highest ethical principles and to comply with all relevant laws and regulations, particularly those related to combating bribery and corruption.

Identifying and managing bribery and corruption risks

Bribery and corruption are both illegal and unethical: they have a negative impact on individuals, businesses, and society at large. We therefore do not tolerate bribery or corruption in any form. In 2024, a new anti-bribery and corruption Group policy and new Group standards were introduced to replace our legacy policies and procedures. These provide a general framework to fight against bribery and corruption and apply to everyone working for and with dsm-firmenich.

As part of the business ethics program, risks relating to ethics and compliance are periodically evaluated, with a particular focus on anti-corruption and bribery. Moreover, dsm-firmenich has a strong culture of risk management, internal control, and audit. Awareness of bribery and corruption is also ensured by mandatory trainings. Specific legacy trainings were in place focusing on anti-

bribery and corruption awareness. These were discontinued in September 2024.

All employees in 'at-risk' functions were required to complete anti-bribery and corruption training. At-risk functions include all management functions, as well as employees in roles that involve interaction with external parties, control over financial transactions, legal and compliance responsibilities, and sales and marketing activities. In September 2024, the training had an aggregated completion rate of 95%¹ reflecting our commitment to organization-wide compliance and engagement. This completion rate cannot be split by function as it is not integrated into our HR systems.

The newly launched Code of Business Ethics training for all employees includes a section on anti-bribery and corruption awareness. Furthermore, in December 2024, a new training course for all employees focused exclusively on combating bribery and corruption was launched, and is applicable for all employees. The course covers understanding our policies and standards, recognizing corruption, reporting concerns and the consequences of non-compliance thereby helping to ensure adherence to our integrity and standards. Course completions will be monitored, and management will be informed of the completion rates. A process exists to deal with uncompleted training cases.

Speaking up

At dsm-firmenich, we all have a responsibility to speak up in the event of any concern regarding

compliance with our Code of Business Ethics. If anyone has witnessed behavior that might be in breach of our values or business principles, it is vital that this is reported. We encourage open and honest communication. Therefore, wherever practicable, we recommend that employees raise their concerns directly with the person involved or with their local contact from HR, their line manager, their legal partner, or the business ethics team. We also have a whistleblowing platform in place, SpeakUp.

SpeakUp is operated by an external provider and is accessible 24/7. It offers the option of lodging reports anonymously and may also be used by third parties. All investigations into allegations reported via SpeakUp are conducted impartially, respecting the principles of confidentiality and the presumption of innocence. The investigators shall carry out their tasks in an independent and impartial manner and shall be bound by the utmost confidentiality regarding the details of the investigation. The link to the platform is included on our [website](#), and referenced in our Code of Business Ethics, and our Supplier Code.

Speak up cases are reported to the Group Ethics Committee at least on a quarterly basis. The committee consists of:

- Chief Executive Officer
- Chief Financial Officer
- Chief Human Resources Officer
- Chief Legal, Regulatory, Risk and Compliance Officer – chair
- Head of Business Ethics – secretary

We do not tolerate any form of retaliation against individuals who, in good faith, seek

guidance, raise a concern regarding potential misconduct, or cooperate in an investigation. We have zero tolerance for retaliation, irrespective of the circumstances. Disciplinary action is taken against anyone who engages in retaliatory behavior toward those who have spoken up in good faith.

SpeakUp reports

In 2024, we received 163 reports via SpeakUp. All were reviewed and followed up on, and investigations were initiated wherever admissible. Of the 163 reports, 8 were non-cases (e.g., translation system errors and tests) and 21 cases were linked to other issues, resulting in 134 unique cases. 83 cases were closed by 31 December 2024. 34 cases were substantiated, while 49 could not be substantiated.

Actions taken included providing additional training, disciplinary measures, terminations, and reviews of our policies and processes. 51 cases were under investigation at the end of 2024. The allegations reported primarily concerned discrimination, harassment, bullying and retaliation, mistreatment/inappropriate behavior, labor practices, SHE related issues, conflicts of interest and fraud, embezzlement or misuse of company assets or resources.

Three cases concerning bribery and corruption were reported via SpeakUp, and internal investigations were conducted based on these reports. These cases could not be substantiated.

¹Including completed and on time, meaning employees who still had time to complete the training.



Governance & Risk Management



Governance

Our commitment to good corporate governance ensures transparency, accountability, and trust. It also drives our long-term objective of creating value along the triple bottom line of economic performance, environmental quality, and social responsibility.

Preliminary remarks

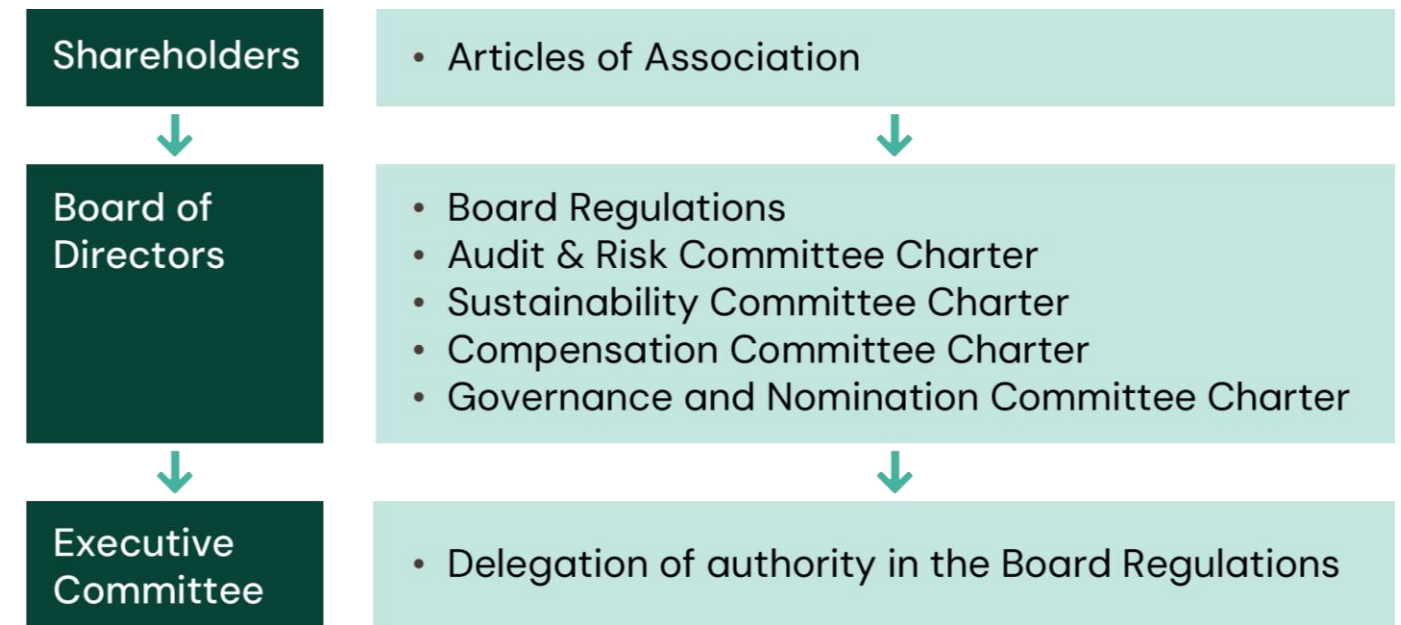
DSM-Firmenich AG is a company constituted under Swiss law whose shares are listed on the Amsterdam Stock Exchange (Euronext Amsterdam).

As a Swiss company, the key applicable governance requirements to DSM-Firmenich AG (also referred to as the 'Company') are the Swiss Code of Obligations (CO) and the standards established by the Swiss Code of Best Practice for Corporate Governance.

Due to its listing on Euronext Amsterdam, the Company is subject to the EU Market Abuse Regulation, the Dutch Financial Supervision Act and the relevant reporting requirements of the Dutch Decree on Transparency. The SIX Directive on 'Information relating to Corporate Governance' does not apply to the Company, as the Company is not listed on the SIX Swiss Exchange.

Governance framework

The Company's internal corporate governance framework is based on its Articles of Association (the 'Articles of Association'). The Organizational Regulations of the Board of Directors, its Committees, and the Executive Committee (the 'Board Regulations') further clarify the duties, powers, and regulations of the governing bodies of the Company.



Our governance framework model

The Board of Directors (also referred to as the 'Board') has established four [Committees](#): the [Audit & Risk Committee](#), the [Sustainability Committee](#), the [Compensation Committee](#), and the [Governance & Nomination Committee](#). These Committees assist the Board of Directors in its work. The duties and functioning of the committees are laid down in Committee Charters. Except where otherwise provided by law, the Articles of Association, and the Board Regulations, all management areas are fully delegated by the Board of Directors to the CEO and the Executive Committee, with the power to further sub-delegate.



Group structure, capital structure, and shares

Group structure

DSM-Firmenich AG and Group companies

DSM-Firmenich AG is the parent company of the dsm-firmenich Group (the 'Group' or 'dsm-firmenich'). DSM-Firmenich AG is a company organized under Swiss law with its registered office at Wurmisweg 576, 4303 Kaiseraugst, Switzerland. The Group's operating businesses are organized into four Business Units: Perfumery & Beauty; Taste, Texture & Health; Health, Nutrition & Care; and Animal Nutrition & Health. The principal subsidiaries of the Group are shown in [Note 3 Investments](#) to the Parent Company Financial Statements. The Company does not have any publicly listed subsidiaries.

Significant shareholders

Shareholdings of 3% or more in the Company must be disclosed to the Dutch Authority for the Financial Markets (AFM). Information about substantial holdings and gross short position of shares can be found [here](#).

The Company has entered into relationship agreements with members of the Firmenich Family (as such term is defined in Article 4.4 of the Articles of Association) which govern the relationship between the parties.

Cross-shareholdings

As at 31 December 2024, DSM-Firmenich AG had no cross-shareholdings.

Capital structure

Share capital

As at 31 December 2024, the share capital of DSM-Firmenich AG amounted to €2,656,763.88, divided into 265,676,388 fully paid-up registered shares with a par value of €0.01 each. In addition, the Company has a conditional capital of €132,838.19 (corresponding to 13,283,819 registered shares with a par value of €0.01 each) for employee benefit plans and equity-linked financing instruments.

Until 18 April 2028, the Company will have a capital band authorizing the Board of Directors to conduct one or more capital increases within an upper limit of €265,676.39 (corresponding to 26,567,639 registered shares with a par value of €0.01). The upper limit is reduced to the extent that new shares are issued under the conditional capital. For a description of the terms and conditions of the issuance of conditional and capital increases under the capital band, please refer to Articles 3a, 3b, and 3c of the Articles of Association.

Shares are listed on Euronext Amsterdam under the symbol DSFIR (ISIN CH1216478797). In the US, a sponsored unlisted American Depositary Receipts (ADR) program is offered by Deutsche Bank Trust Company Americas under the symbol DR (ISIN US7802491081), with four ADRs representing the value of one share.

Multi-deposit structure

The shares have a multi-deposit structure in which they are deposited in the central security depositories (CSDs) of both the Netherlands and Switzerland. This means that the shares can be held either via Euroclear Nederland ('Euronext shares'; ISIN CH1216478797) or via the Company's share register at SIX SIS in Switzerland ('SIX SIS shares'; ISIN CH1267772122).

The shares are traded on Euronext Amsterdam. Settlement of the shares is possible through the facilities of Euroclear Nederland. SIX SIS shares can be exchanged into Euronext shares and vice-versa at any time. If requested by a shareholder, the Company facilitates, through ABN AMRO Bank N.V. Corporate Broking & Issuer Services (email: contact.dsm-firmenich@nl.abnamro.com, telephone +31 20 6286070), the transfer of their shares from the facilities of Euroclear Nederland to the facilities of SIX SIS, and vice versa. Shareholders wishing to do so should contact their custodian bank or broker, which must contact ABN AMRO, to effect such transfers.

Changes in capital

There were no changes to the Company's share capital in 2024.

Convertible bonds and options

There are no bonds, warrants, options, or other securities granting rights to shares other than options and share units (PSUs and RSUs) granted under the equity-based participation plan for employees.



Dividend and share price

Dividend

On 7 May 2024, the Annual General Meeting of DSM-Firmenich AG adopted the proposal for a dividend payment of €2.50 per ordinary share.

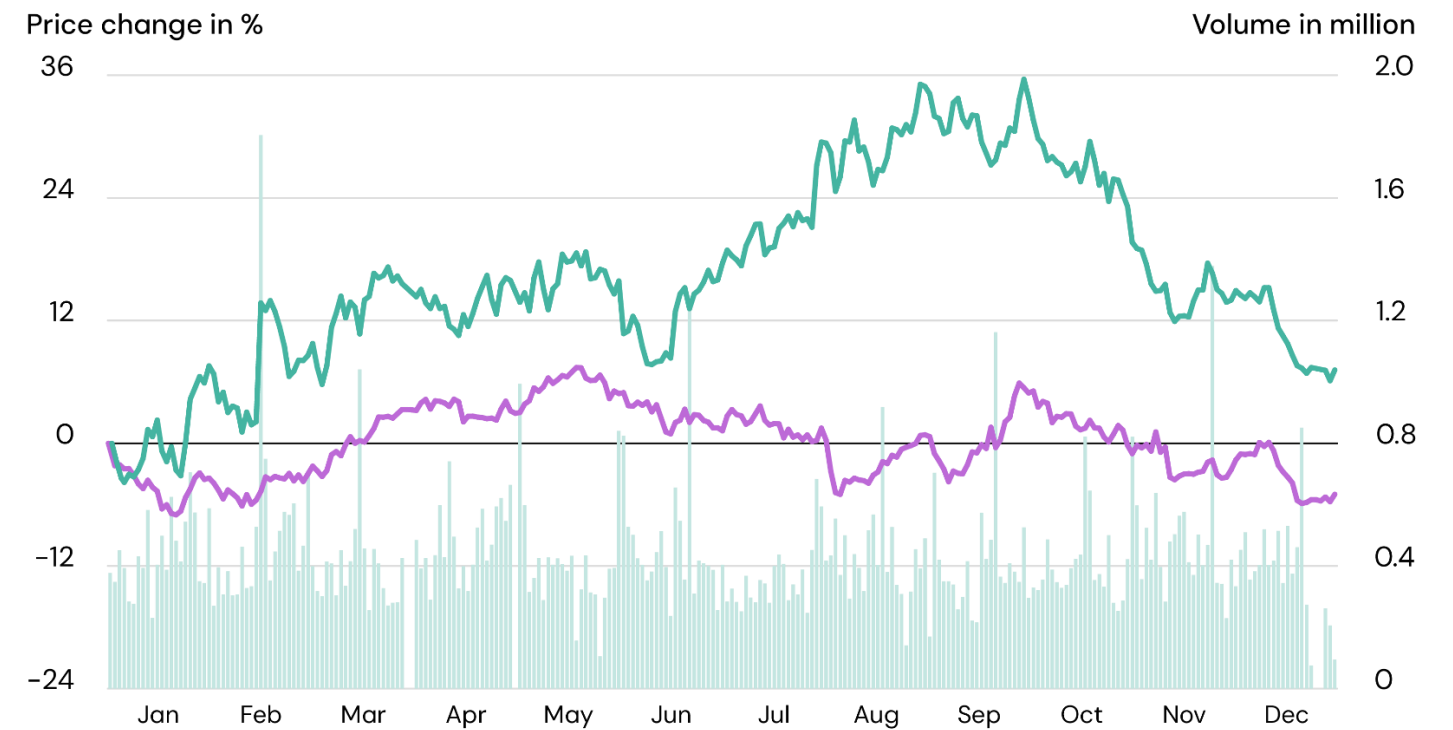
The dividend was paid on 16 May 2024, partially (62.7%) out of capital contribution reserves and partially (37.3%) out of available earnings.

Share price

In 2024, the share price increased by 7.17%. The highest price in 2024 was €123.65 (30 September 2024) and the lowest was €87.69 (5 January 2024).

Share price development

- DSFIR-Share Price
- S&P Europe BMI Materials (Industry Group) Index EUR-Index Value
- DSFIR-Volume



Geographical spread of shares outstanding

in %	2024	2023
Switzerland	36	37
North America	23	22
Continental Europe	23	21
UK & Ireland	10	12
Netherlands	6	6
Rest of World	2	2



Board of Directors

Composition

According to our [Articles of Association](#) and [Board Regulations](#), the Board is composed of between nine and 12 non-executive Members, save in extraordinary circumstances.

Term and election

Members of the Board and the Chairman are elected by the Annual General Meeting (AGM) on an individual basis for one year, ending with the conclusion of the next AGM. Re-election is permitted. According to Board Regulations, a member's mandate is a maximum of 10 years. Unless terminated earlier, a member's mandate automatically terminates on the date of the AGM called to approve the accounts for the financial year in which such member has reached the age of 70. These limits support our commitment to renew the Board on an ongoing basis, in line with international best practice.

At the AGM in May 2024, 11 members of the Board were re-elected for one year until 2025's AGM. Thomas Leysen was re-elected as Chairman. Pradeep Pant, who had been a Member of the Board and of its Governance & Nomination Committee since 2023, did not stand for re-election as he had reached the statutory age limit. The Board of Directors and the Executive Committee warmly thank Pradeep for his distinguished service and strong engagement during our first post-merger year. As of 31 December 2024, the Board of Directors has 11 members whose profiles can be found on the following pages.



The dsm-firmenich Board of Directors.

From left to right: Frits van Paasschen, Carla Mahieu, Erica Mann, John Ramsay, André Pometta, Corien Wortmann, Richard Ridinger, Patrick Firmenich, Thomas Leysen, Sze Cotte-Tan and Antoine Firmenich



Composition Board of Directors



Thomas Leysen

- **Nationality & Year of Birth:** Belgian, 1960
- **Education:** Master's degree, Law, Katholieke Universiteit Leuven (Belgium)
- **Listed Company Boards:** Umicore: Non-Executive Chair of the Supervisory Board
- **Non-Listed Company Boards:** Mediahuis: Non-Executive Chair of the Board
- **Other Memberships:** Myriad USA and Myriad Canada: Chair of the Foundation; Mayer van den Bergh Museum: Chair of the Board of Trustees; World Wildlife Fund (WWF) Belgium: Chair of the Board (starting 1 January 2025)

Chairman of the Board of Directors (first elected in 2023)

Member of the Compensation Committee

Thomas Leysen has spent a large part of his career at Umicore, which was transformed under his leadership from a metals producer to a materials technology group with leading positions in battery materials, automotive catalysts, and precious metals recycling. He was CEO of the company until 2008, after which he became Chairman of the Board of Directors. He has been Chairman of the Board of Mediahuis, a European media company, since its formation in 2013. He has long been committed to the promotion of sustainable development, and was the founding chair of The Shift, a coalition of businesses and non-governmental organizations in Belgium. He was Chairman of the Federation of Enterprises in Belgium between 2008 and 2011.

Between 2011 and 2020, he was Chairman of the Board of KBC Group, a banking and insurance group with activities mainly in Belgium, Central Europe and Ireland. He was Member of the Supervisory Board of Royal DSM N.V. starting 2020 and served as its Chair from 2021 to 2023, when DSM and Firmenich merged.



Patrick Firmenich

- **Nationality & Year of Birth:** Swiss, 1962
- **Education:** Master's degree, Law, University of Geneva (Switzerland), Admitted to Geneva Bar, MBA: INSEAD, Fontainebleau (France)
- **Listed Company Boards:** UBS AG, Non-Executive Director
- **Non-Listed Company Boards:** Hedione SA, Non-Executive Director
- **Other Memberships:** INSEAD World Foundation: Board Member, INSEAD, Board Member, Swiss Board Institute Advisory Council, Council Member

Vice Chair of the Board of Directors (first elected in 2023)

Chair of the Governance & Nomination Committee

Patrick Firmenich served as CEO of Firmenich, the world's largest privately owned fragrance and taste company, from 2002 to 2014. He served as Chairman of the Firmenich Board from 2016 to 2023, when DSM and Firmenich merged. Throughout his tenure at Firmenich, he demonstrated his entrepreneurial leadership by significantly advancing Firmenich's global position through organic and inorganic growth and succeeded in transforming the organization to continuously respond to client needs and the market environment. He sustained Firmenich's significant investment in R&D and its legacy of game-changing technologies, while developing an ambitious sustainability strategy for the company, which led to the company achieving world-class Health, Safety & Environmental performance. He first joined Firmenich in 1990 and spent a decade successfully leading the strategic development of the company's International Fine Fragrance business in New York and Paris before being appointed to the Executive Committee in 1999. Until the end of 2023, he was a member of the Board of Jacobs Holding AG. In 2020, Patrick Firmenich won the EY Entrepreneur of the Year™ Switzerland award for Family Business.





Sze Cotte-Tan

- **Nationality & Year of Birth:** Singaporean, 1969
- **Education:** Pd.D in Food Sciences, University of Leeds (UK), MBA, Simon Business School, University of Rochester (USA)
- **Non-Listed Company Boards:** Foodplant, a subsidiary of the Singapore Institute of Technology, Non-Executive Chair; Clay Capital, Member of the Advisory Committee

Member of the Board of Directors (first elected in 2023)

Member of the Sustainability Committee

Sze Cotte-Tan has more than 26 years' industry experience in food and nutrition, spanning Asia Pacific, Europe and North America. She is currently Executive Director of the Singapore Institute of Food and Biotechnology, A*STAR Research Entities, a government funded institution, and an adjunct Professor at the Singapore Institute of Technology. Her last executive role in the industry was Executive Vice President and Chief Technology Officer of CJ Cheil Jedang, a South Korean food conglomerate, during which she played a pivotal role in expanding its innovation footprints and transforming R&D into a strategic growth driver of the company's ambition to become a key player in the global food and nutrition scene. Prior to that, Sze Cotte-Tan held several roles in Nestlé including Centre Director of R&D, Singapore, and R&D Director in strategic business units for nutrition, healthcare in Vevey (Switzerland). As a food scientist by training, Sze Cotte-Tan brings a wealth of knowledge in the areas of product and process mastery, consumer and sensory science, and organization change management.



Antoine Firmenich

- **Nationality & Year of Birth:** Swiss, 1965
- **Education:** Bachelor of Science in Life Sciences, MIT (USA), Ph.D in Biochemistry, Stanford University School of Medicine (USA), MBA, Stanford University Graduate School of Business (USA)
- **Non-Listed Company Boards:** Aquilus Pte Ltd (Singapore), Managing Director, Aquilius Management Ltd (Bermuda): Executive Director, Alatus Capital: Co-Founder and Non-Executive Director: Hedione SA, Non-Executive Director
- **Other Memberships:** Stanford Interdisciplinary Lifesciences Council (SILC): Nominated Member, MAC3: Managing Director

Member of the Board of Directors (first elected in 2023)

Chair of the Sustainability Committee

Member of the Audit & Risk Committee

Antoine Firmenich has been CEO and Managing Director of Aquilus Pte Ltd in Singapore since 2008. He is a founding partner of Alatus Capital, a value investment management firm which has worked over the past decade and a half with a number of preeminent global foundations, pension funds, endowments, and discerning long-term investors.

Over the last 16 years, he has been increasingly involved in sustainability and climate issues, specifically supporting basic research projects on several continents, and driving high impact investment and policy initiatives centered on health and education, and the long-term health of oceans and coastal ecosystems. Antoine Firmenich was appointed Board Member of Firmenich in 2009, a position he held until 2023 when DSM and Firmenich merged. He has served on a number of other corporate boards, including SIX listed Nobel Biocare, the world's largest dental implant and digital dentistry company (since then taken over by Danaher).





Carla Mahieu

- **Nationality & Year of Birth:** Dutch, 1959
- **Education:** Master's degree in Economics, University of Amsterdam (Netherlands)
- **Listed Company Boards:** Arcadis, Non-Executive Director
- **Non-Listed Company Boards:** Vodafone Ziggo Group B.V. Netherlands, Non-Executive Director, DIF Capital Partners: Non-Executive Director
- **Other Memberships:** Stichting Continuïteit Post NL: Board Member, Priority Foundation of Arcadis: Board Member

Member of the Board of Directors (first elected in 2023)

Chair of the Compensation Committee

Carla Mahieu was appointed to Aegon's global Management Board in 2016 and served as its Executive Vice-President and Global Head of Human Resources until 2021. Prior to that, she was Philips' Senior Vice President Corporate Human Resource Management and worked for Spencer Stuart as Director, Consultant, and Principal.

Carla Mahieu started her career with Shell in 1984, where she worked for 15 years and held various management positions within Human Resources, Communications and Corporate Strategy. She has served as Non-Executive Director of the Koninklijke BAM Groep and of the Duisenberg School of Finance (Netherlands). She was a Member of the Supervisory Board of Royal DSM N.V. during a two-year tenure, until DSM and Firmenich merged in 2023. In 2024, Carla Mahieu was appointed as Non-Executive Director of CVC DIF Capital Partners, an infrastructure fund manager which is held by publicly listed CVC Capital Partners.



Erica Mann

- **Nationality & Year of Birth:** Australian, 1958
- **Education:** ND Analytical Chemistry, Tshwane University of Technology (South Africa); Marketing Management Damelin College (South Africa)
- **Listed Company Boards:** Kellanova (formerly The Kellogg Company): Non-Executive Director, ALS Ltd: Non-Executive Director

Member of the Board of Directors (first elected in 2023)

Member of the Sustainability Committee

Member of the Governance & Nomination Committee

Erica Mann has over 30 years' experience in roles of increasing responsibility across the healthcare industry. She is a former Executive Board Member of Bayer AG (DAX) and former CEO and Global President of Bayer's Consumer Health Division. She was the first woman to be appointed to Bayer's Management Board in the company's 150-year history. She is a true global citizen who has lived and worked on four continents and has deep experience in emerging markets and extracting strategy from trends with a strong focus on culture and risk management. Erica Mann was the first woman to serve as Chair of the World Self Medication Industry Association, the global association for the over-the-counter drug industry. She was a Member of the Supervisory Board of Royal DSM N.V. during a four-year tenure, until DSM and Firmenich merged in 2023, and served on the Board of the Perrigo Company from 2019 to 2024. In 2024, she was appointed Non-Executive Director of ALS Ltd, a company providing testing, inspection, certification and verification services globally. She was listed in Fortune's 'Most Powerful Women International' both in 2016 (ranked #40) and 2017 (ranked #36).





Frits van Paasschen

- **Nationality & Year of Birth:** Dutch/American, 1961
- **Education:** Bachelor of Arts in Economics and Biology, Amherst College (USA), MBA Harvard Business Schools (USA)
- **Listed Company Boards:** Williams Sonoma: Non-Executive Director, Sonder: Non-Executive Director, Amadeus IT Group: Non-Executive Director
- **Non-Listed Company Boards:** Citizen M Hotels, Non-Executive Director, J Crew Group, Non-Executive Director

Member of the Board of Directors (first elected in 2023)

Member of the Audit & Risk Committee

Member of the Compensation Committee

After spending the first few years of his career in management consulting with the Boston Consulting Group and McKinsey & Co, Frits Van Paasschen joined Disney Consumer Products and later Nike. Within Nike he was the President for the Americas & Africa and later for EMEA.

Frits van Paasschen then became the CEO of Coors Brewing Company. His last executive position held was CEO of Starwood Hotels and Resorts. In January 2017, he published 'The Disruptor's Feast', subtitled: 'How to avoid being devoured in today's rapidly changing global economy.' He is advisor to private equity firm TPG and Russell Reynolds, and CEO and Founder of the Disruptor's Feast Advisory. He was a Member of the Supervisory Board of Royal DSM N.V. during a six-year tenure, until DSM and Firmenich merged in 2023.



André Pometta

- **Nationality & Year of Birth:** Swiss, 1965
- **Education:** Bachelor of Science in Economics, HEC Lausanne (Switzerland)
- **Non-Listed Company Boards:** White Lobster: Non-Executive Director, Noyb SA (+ Affiliates): Non-Executive Director

Member of the Board of Directors (first elected in 2023)

Member of the Compensation Committee

André Pometta started his career with the Zuellig Group in Manila (Philippines) holding positions in sales, marketing, and operations. He joined Firmenich in 1997 in the Fragrance division and spent most of his career working for customers in Southeast Asia, the Middle East, North Africa, Eastern Europe and China. He led and implemented strategies that delivered significant growth with local and global customers in emerging markets. He was appointed President of Firmenich China in 2008 and was a member of Firmenich's Flavor Executive Team until 2013. He played an active role in restructuring the Flavor division, building a culture of customer & consumer centricity, and was instrumental in establishing China as its own independent region within the organization. André was a member of the Board of Directors during a 20-year tenure, until DSM and Firmenich merged in 2023. André was also a Board Member of Sentarom SA (the Family holding company of the Firmenich Group) and served at its Chairman from 2021 to 2023. Currently, André advises a select group of international entrepreneurs and senior executives and is working on projects to promote agro-tourism and affordable housing in Switzerland.





John Ramsay

- **Nationality & Year of Birth:** British, 1957
- **Education:** Chartered Accountant
- **Listed Company Boards:** RHI Magnesita N.V.: Non-Executive Director, Croda International PLC: Non-Executive Director (stepping down effective 1 March 2025), Babcock International PLC: Non-Executive Director

Member of the Board of Directors (first elected in 2023)

Chair of the Audit & Risk Committee

John Ramsay started his career at KPMG before entering the corporate world in 1984, when he joined ICI. He held several, increasingly senior, accounting and finance positions within ICI, which would later become AstraZeneca. John Ramsay played a leading role in planning and executing the merger of AstraZeneca's agribusiness with Novartis, including the integration and disposal of various businesses post-merger.

He also played a leading role in the formation and stock exchange listing of the Syngenta business and became its Group Controller in 2001. In that role, he had to build up the group's finance function from scratch, establishing the organization and reporting systems after the IPO. His last executive position was Chief Financial Officer (CFO) and Interim CEO of Syngenta AG which he held until 2016. He has served as Non-Executive Board Member of G4S and was a Member of the Supervisory Board of Royal DSM N.V. during a six-year tenure, until DSM and Firmenich merged in 2023.



Richard Ridinger

- **Nationality & Year of Birth:** German, 1958
- **Education:** Master's degree in Chemical Engineering, University of Karlsruhe (Germany)
- **Listed Company Boards:** Brenntag SE: Chair of the Supervisory Board
- **Non-Listed Company Boards:** Recipharm AB: Chairman of the Board, Novo Holdings: Member of the Advisory Board

Member of the Board of Directors (first elected in 2023)

Member of the Governance & Nomination Committee

Richard Ridinger has extensive experience in science-driven organizations. His most recent role was as the CEO of Lonza, a global leader in Life Sciences, which he held until 2019. In this position, he strengthened Lonza's market position in relevant markets and drove competitive capabilities and productivity improvement in critical areas. Prior to becoming CEO at Lonza, Richard Ridinger was responsible for Care Chemicals, the largest group at Cognis, a former division of Henkel, with approximately 3,000 employees.

As a trained chemical engineer, his experience spans process development, production management, product and marketing management, leading global Business Units, and responsibility for leading a worldwide specialty chemicals group. Richard Ridinger has also served as Chairman of the Advisory Committee of Zentiva, and Board Member of Evolva Holding AG and SHL Medical AG. He was a Member of the Board of Firmenich during a seven-year tenure, until DSM and Firmenich merged in 2023.





Corien Wortmann

- **Nationality & Year of Birth:** Dutch, 1959
- **Education:** Master's degree in Political Science and Economics, Vrije Universiteit Amsterdam (Netherlands)
- **Listed Company Boards:** Aegon Ltd, Non-Executive Vice Chair of the Board
- **Non-listed Company Boards:** Deloitte Netherlands: Member of the Supervisory Board
- **Other Memberships:** Impact Economy Foundation: Advisory Board Member, Netspar: Chair of the Supervisory Board, Koninklijke Hollandsche Maatschappij der Wetenschappen: Member, Planet Bio: Member of the Supervisory Board

Member of the Board of Directors (first elected in 2023)

Member of the Sustainability Committee

Member of the Audit & Risk Committee

Corien Wortmann served as Chair of the Board of ABP Pension Fund, a world leader in responsible investing, from 2015 to 2022. She was a Member of the European Parliament for the European People's Party (EPP) from 2004 to 2014, and the EPP's Vice President Economy, Finance and Environment. She is currently a Non-Executive Member and Vice Chair of the Board of Directors of Aegon Ltd, Board Member of the Impact Economy Foundation and Chair of the Supervisory Board of Netspar, a scientific network on pensions. In 2024, she was appointed Member of the Supervisory Board of Deloitte Netherlands. She has served as Chair of the Supervisory Board of Save the Children (Netherlands), as Jury Member of the Business Woman of the Year Prize at Veuve Clicquot, as Co-Chair of the European High Level Expert Group Next CMU. She was a Member of the Supervisory Board of Royal DSM N.V. for a two-year tenure until DSM and Firmenich merged in 2023. She was a member of the Capital Markets Advisory Board of the Dutch Financial Markets Authority until 2024.

Nominated Directors

'Nominated Directors' are those Members of the Board of Directors who are nominated by a Firmenich Shareholder (as such term is defined in Article 4.4. of the Articles of Association) in accordance with the terms of Article 18 of the Articles of Association. Any Firmenich Shareholder, whether alone or together with other Firmenich Shareholders, holding 8.5% or more of the Company's issued share capital, shall have the right to nominate for election one Member to the Board of Directors, provided that only such persons shall be nominated who have the appropriate expertise, skills and reputation for such a mandate as verified by the Governance & Nomination Committee.

Any Firmenich Shareholder, whether alone or together with other Firmenich Shareholders, holding 17% or more of the Company's issued share capital, has the right to nominate two Members for the Board of Directors. These nomination rights are for a maximum of three Nominated Directors in total. As of 31 December 2024, the Nominated Directors are Patrick Firmenich and Antoine Firmenich. André Pometta is a former Nominated Director.



Overview of the Board of Directors

Independence

Article 3.2 of the Board Regulations outlines the independence criteria, which require a majority of the Board of Directors Members to be non-executive and independent. An Independent Director means:

- The Member has never been a Member of the Executive Committee, or else was a Member of the Executive Committee more than three years ago; and
- The Member has never served as lead auditor of the Group’s external auditor, or else served as the lead auditor more than two years ago; and
- The Member does not have significant business relationships with the Group

Nominated and former Nominated Directors are not regarded as Independent Directors. As at 31 December 2024, of the 11 Members of the Board of Directors, eight are Independent Directors and three (Patrick Firmenich, Antoine Firmenich, and André Pometta) are not regarded as Independent Directors.

All Members of the Board of Directors are non-executive.

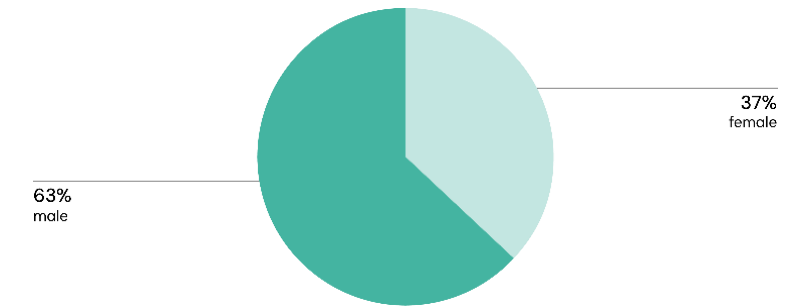
Diversity

The Board prioritizes and embraces diversity. The Board considers that diversity of gender, age, nationality, ethnicity, experience, background, and thought are key factors in its success and effectiveness. Diversity is a critical area of focus and a key criterion for the selection and nomination of new Members of the Board and Executive Committee.

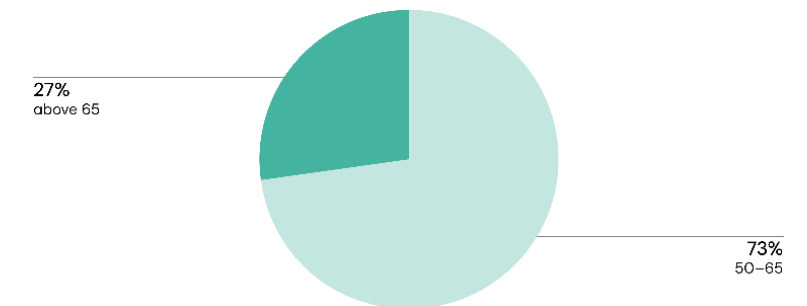
Board of Directors diversity profile

The composition in terms of gender and age is shown in the charts opposite.

Gender at 31 December 2024 (%)



Age at 31 December 2024 (%)



Skills

Skills	Thomas Leysen	Patrick Firmenich	Sze Cotte-Tan	Antoine Firmenich	Carla Mahieu	Erica Mann	Frits van Paasschen	André Pometta	John Ramsay	Richard Ridinger	Corien Wortmann
dsm-firmenich business											
Finance & audit/accounting											
Sustainability/ESG											
R&D											
Operations & manufacturing											
Sales & marketing											
HR management, incl. compensation											
Data/digital/cybersecurity											
Risk management/compliance/legal											
Public affairs											



Succession planning

The Governance & Nomination Committee ensures effective succession plans for the Board of Directors, CEO, and Executive Committee. Candidates who meet the criteria are interviewed by the Board of Directors, and the Governance & Nomination Committee makes a recommendation to the full Board of Directors who decide on the appointments, subject to the powers of the General Meeting to elect the Members of the Board of Directors.

Conflict of interest and permitted external mandates

Pursuant to the Board Regulations, any Member of the Board of Directors or of the Executive Committee who believes that he or she has a conflict of interest, or that there is potential for such a conflict, must discuss the matter with the Chairman of the Board of Directors (or, for Executive Committee Members, with the CEO in consultation with the Chairman), who then proposes to the Board of Directors a solution appropriate to the intensity of the conflict of interest.

According to Article 22 of the Articles of Association, a Member of the Board of Directors shall hold no more than: 1) up to four mandates in listed firms; and 2) up to four mandates in non-listed firms. A Member of the Executive Committee shall hold no more than: 1) one mandate in listed firms; and 2) up to three mandates in non-listed firms. A 'mandate' means any membership in the Board of Directors, the executive management or the Advisory Board, or any comparable function under foreign law, of a firm with an economic purpose. Mandates in the Company or any

entity controlled by, or controlling, the Company, shall not be deemed to be a mandate for purposes of Article 22 of the Articles of Association. In 2024, the Board of Directors approved a change in the Board Regulations indicating that a Chair position in a publicly listed company is equivalent to two mandates. The Governance & Nomination Committee annually reviews the number of mandates held by the Board of Directors and Executive Committee Members.

Evaluation of the Board of Directors

The Board conducts a self-assessment once a year, covering topics including Board composition, interaction between the Board of Directors and the Executive Committee, and team effectiveness. The self-assessment exercise is led by the Governance & Nomination Committee, and the outcome is shared with the Board of Directors. According to Article 3.11 of the Board Regulations, the Board performs a complete review of its performance on a three-year cycle. Such a complete review is planned to commence in 2026 and will be conducted with an independent external consultant.

The role of the Board of Directors and its Committees

The Board of Directors is the highest executive oversight body of the Company. It resolves on all business matters which are not reserved to the Shareholders by law or by the Articles of Association. In accordance with Article 20 of the Articles of Association, the Board of Directors may establish one or more Board Committees to assist the Board of Directors in preparing certain decisions in the areas of its competence. The Board of Directors has

established four Committees: the [Audit & Risk Committee](#), the [Sustainability Committee](#), the [Compensation Committee](#), and the [Governance & Nomination Committee](#). Other than the authority of the Audit & Risk Committee to approve the financial trading updates of the first and third financial quarters, the Board of Directors has not delegated decision-making authority to the Committees. From time to time, the Board of Directors may establish sub-committees to focus on important strategic projects or matters requiring closer Board attention.

Responsibilities of the Board of Directors

Principal duties

In accordance with Swiss law, the Articles of Association, and the Board Regulations, the principal duties of the Board of Directors include:

- The ultimate direction and strategy of the Company and Group and determining the Company and Group's organization
- The overall structuring of the accounting system, financial controls, and planning
- The appointment and dismissal of those persons to whom management is delegated
- The supervision of persons to whom management of the Company is delegated, especially with a view to their compliance with the law
- The compilation of the Integrated Annual Report (financial and non-financial) and other reports that are subject to mandatory approval by the Board of Directors
- The preparation of the Shareholder's Annual General Meeting and the implementation of its resolutions

- All decisions relating to the ascertainment of changes in capital
- Filing a motion for debt-restructuring moratorium and notifying the courts in the event of over-indebtedness
- Regular review of the Group's culture
- Decisions on the budget, the setting of financial targets, the definition of the Group's capital structure, and the annual investment budget
- Consideration of, and approval of, recommendations made by the Board Committees

Number of meetings

The Board of Directors held 10 meetings in 2024. These included six regular meetings (in February, June, July, October, December and a constitutional meeting in May) and four additional special meetings to deal with ad hoc matters. In 2024, the Board of Directors adopted one written circular resolution. Board Committees typically meet the day prior to regular Board of Director meetings (see also [Meeting attendance](#)). In 2024, the Board of Directors dealt in detail with all the key strategic topics, monitored the financial performance and gave special attention to human resources and succession related topics. It continued to scrutinize Quality, Safety, and Compliance matters at every meeting.

Courses and visits in 2024

In 2024, the Board of Directors completed a course on Digital and Artificial Intelligence, hosted by senior management. In addition, each Member of the Board conducted an online training on the Code of Business Ethics, as well as on Anti-Competition Compliance.



In 2024, the Board of Directors visited dsm-firmenich's Science & Research Hub in Kaiseraugst (Switzerland), its fragrance laboratories in Paris, and its newly inaugurated offices in Maastricht. Individual Members of the Board had the opportunity to visit Company operations around the world in the context of other travel commitments.

Audit & Risk Committee

According to the Board Regulations and the Audit & Risk Committee Charter, the Audit & Risk Committee must be chaired by an Independent Director. The Committee must be composed of at least three Members of the Board of Directors, of whom one is a Nominated Director. The principal duties of the Audit & Risk Committee include:

- Reviewing the financial statements of the Company and the Group
- Reviewing the effectiveness of internal controls over financial reporting
- Reviewing and evaluating internal controls in place to ensure integrity and accuracy of the Company's non-financial reporting
- Approving the release of the Group's Q1 and Q3 results to the market
- Reviewing the Company capital structure
- Making the annual dividend proposal to the Board of Directors
- Overseeing the external auditors that audit the Company's financial statements and provide assurance on the non-financial report and reviewing their performance and independence, making recommendations on the appointment, re-appointment, or removal of the external auditor for the attention of the Board of Directors

(regarding the election of such auditor at the Annual General Meeting)

- Reviewing periodic reports of the Group Audit function
- Reviewing the Enterprise Risk Management (ERM) framework and significant risks and related mitigation plans
- Reviewing the process for monitoring compliance within the Group of the Code of Business Ethics

Sustainability Committee

According to the Board Regulations and Sustainability Committee Charter, the Sustainability Committee is chaired by an Independent Director or a Nominated Director. The Committee must be composed of at least three Members of the Board, of whom one is a Nominated Director. Their principal duties include:

- Reviewing the Company's sustainability strategy and goals
- Defining and periodically reviewing the Company's sustainability metrics
- Reviewing the Company's non-financial reporting obligations
- Reviewing the Company's sustainability performance against peer groups
- Reviewing regulatory developments relating to sustainability
- Ensuring the interests of the relevant stakeholders are included in the Company's strategy, targets, and policies

Compensation Committee

In accordance with Swiss law and the Articles of Association, Members of the Compensation Committee are appointed by the General

Meeting. According to Board Regulations and the Compensation Committee Charter, the Compensation Committee must be chaired by an Independent Director or the Chairman of the Board. The Compensation Committee is composed of at least three Members, including one Nominated Director. Their principal duties include:

- Developing a compensation strategy in line with the principles described in the Articles of Association
- Reviewing principles and design of short and Long-Term Incentive (LTI)/equity plans
- Proposing to the Board the aggregate maximum compensation for the Board and the Executive Committee, for approval by the General Meeting
- Periodically reviewing the level of Board and Executive Committee compensation against peer groups
- Reviewing and proposing to the Board the target total direct compensation levels and the mix of compensation for the CEO and the Executive Committee Members
- Proposing specific incentive targets to the Board of Directors
- Reviewing the annual performance results against targets and recommending the compensation of Executive Committee Members to the Board for approval.

Governance & Nomination Committee

According to the Board Regulations and the Governance & Nomination Committee Charter, as long as at least two Nominated Directors are on the Board of Directors, the Governance & Nomination Committee is chaired by a Nominated Director. The Committee is

composed of at least three Members, including one Nominated Director. Eric Mann was appointed as Member of the Governance & Nomination Committee on 7 May 2024, in replacement of Pradeep Pant who did not stand for re-election at the 2024 Annual General Meeting. The principal duties of the Governance & Nomination Committee include:

- Periodically reviewing the Articles of Association, Board Regulations and Committee Charters and recommending changes to the Board of Directors for the purpose of fostering good corporate governance and Shareholders' rights
- Annually reviewing external mandates held by the Board of Directors and Executive Committee Members to ensure compliance with Article 22 of the Articles of Association
- Supporting the Board in evaluating the Board of Directors' performance
- Reviewing the composition and size of the Board to ensure the right level of diversity
- Preparing and maintaining a succession plan for the Chairman of the Board and the CEO
- Receiving nominations for Nominated Directors and assess each application to determine if the applicant meets the requirements (appropriate expertise, skills, and reputation)
- Making recommendations to the Board of Directors for the appointment and or dismissal of Members of the Executive Committee; assessing and recommending to the Board of Directors whether Members of the Board should stand for re-election
- Periodically reviewing the independent status of all Board of Directors and Executive Committee Members and any resulting disclosure requirement



Meeting attendance

	Board of Directors (BoD)	Audit & Risk Committee (ARC)	Sustainability Committee (SC)	Compensation Committee (CC)	Governance & Nomination Committee (GNC)
Number of meetings held	10	8	5	4	5
Number of Members	12 (from 1 January to 7 May 2024) 11 (from 7 May to 31 December 2024)	4	4	4	4
Meeting attendance in %	95	96	100	100	100
Thomas Leysen (Chair BoD)	10			4	
Patrick Firmenich (Vice-Chair BoD and Chair GNC)	10				5
Sze Cotte-Tan	10		5		
Antoine Firmenich (Chair SC)	10	8	5		
Erica Mann (appointed to the GNC on 7 May 2024)	9		5		4
Carla Mahieu (Chair CC)	10			4	5
Frits van Paasschen	9	7		4	
Pradeep Pant (mandate expired on 7 May 2024)	3				1
André Pometta	10			4	
John Ramsay (Chair ARC)	10	8			
Richard Ridinger	8				5
Corien Wortmann	9	8	5		
Average length of meetings in hours (regular)	6-7	2	2	1	1



Chairman of the Board of Directors

The Chairman of the Board of Directors is appointed by the General Meeting.

Among his duties, the Chairman:

- Organizes the affairs of the Board and ensures the Company moves forward with its strategic objectives
- Maintains regular and frequent contact with the CEO as well as other Executive Committee Members and reviews with the CEO the major strategic projects before submission to the Board of Directors
- Where appropriate and or requested, supports the CEO in participating in, and giving input to, public relations activities and contacts with the authorities
- Reviews actual and potential conflicts of interest a Board of Directors Member may have and proposes to the Board of Directors how the conflict should be handled
- Liaises with the Vice-Chair of the Board of Directors and keeps him apprised of key issues
- Without delay, communicates to the Board of Directors any information that may have a significant impact on the Group strategy
- In the event of extraordinary events of high urgency, orders immediate measures

Delegation of management

In accordance with Article 20.2 of the Articles of Association and Article 4 of the Board Regulations, the Board of Directors delegates the management of the Company and the Group to the CEO and the Executive Committee Members, within and subject to the powers of the Board of Directors reserved by law (in particular Article 716a CO), the Articles of Association and the Board Regulations. The CEO organizes the Executive Committee and sets the responsibility of each Executive Committee Member.

Information and control instruments vis-à-vis the Executive Committee

To ensure the Board of Directors is fully informed about all matters that materially impact dsm-firmenich, the Board of Directors has at its disposal an information and controls system that includes the following instruments:

- The Board of Directors is, at each of its regular meetings, informed on material matters involving the Group's business and on the latest available consolidated financial results. The entire Executive Committee is regularly invited to attend the Board of Directors meetings, to report on current developments, significant projects, and events. Selected senior managers are regularly invited to attend Board of Directors meetings, to report on areas of the business for which they are responsible. During the meetings, the CEO, Executive Committee, and senior management answer all requests for information by the Board of Directors about any matter concerning the Group that is transacted

- At each of its regular meetings, the Board of Directors receives updates from each of quality and safety, alternatively
- The Board of Directors visits at least one dsm-firmenich country operation per year, during which Members of the Board of Directors meet members of senior local management. Additionally, Members of the Board of Directors are invited to visit country operations when travelling, so they can meet local and regional senior management, and gain first-hand information on local and regional developments
- The Chairman has regular meetings with the CEO and may request information on any matter relating to dsm-firmenich. The Chairman receives the minutes of the Executive Committee meetings. The CEO informs the Chairman immediately of any extraordinary event
- The Chairman has a standing invitation to all Committee meetings and is present in all Committee meetings
- The CEO attends all Committee meetings; Committee meetings are also attended by Executive Committee Members and members of the senior management
- All Members of the Board of Directors have access to the minutes and materials of the Committee meetings
- In preparation of each Board of Directors and Board Committee meeting, the Members receive information and reports from the Executive Committee and members of senior management via a secure electronic sharing system

Additional information and control instruments include dsm-firmenich's internal audit function, named Group Audit. The mission of Group Audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments on the adequacy and effectiveness of governance, risk management, and control processes for the Group.

Findings are communicated in the form of an internal audit report, which is shared with the Executive Committee and the Audit & Risk Committee. The Audit & Risk Committee reviews and monitors management's responsiveness to internal audit findings and recommendations. The head of Group Audit reports administratively to the CFO and has a functional reporting line to the Chair of the Audit & Risk Committee. He regularly meets with the Chair of the Audit & Risk Committee for interim updates.

Furthermore, dsm-firmenich has an internal risk management process, focused on identifying and managing risks and opportunities in all areas of strategic, operational, financial, regulatory, legal and compliance risks, including those linked to climate change. The material risks are reported to the Audit & Risk Committee and the Board of Directors twice annually. For more detail, please refer to [Our approach to risk management](#).



Executive Committee

The CEO is responsible for overseeing the operational management of the Group. The CEO organizes the Executive Committee and sets the responsibilities of each Executive Committee Member. The Members of the Executive Committee are appointed by the Board of Directors on recommendation of the CEO after evaluation by the Chairman and the Governance & Nomination Committee.

Composition and responsibilities

In accordance with Article 4.3 of the Board Regulations, the responsibilities of the Executive Committee include:

- Ensuring Group unity and cohesion
- Managing the Group resources (including human, financial, and intellectual capital)
- Presenting strategies to the Board of Directors for approval
- Driving business development and achieving strategic plans
- Presenting to the Board the consolidated results with a report on the Group business
- Submitting to the Board of Directors the annual budget of expenditures and investments for approval
- Communicating relevant updates appropriately to the Board of Directors
- Organizing proper information-sharing inside and outside the Company
- Proposing to the Board the appropriate organizational model to achieve the Group's objectives set by the Board of Directors
- Proposing to the Compensation Committee remuneration policies and plans
- Ensuring compliance with law and the Code of Business Ethics
- Pursuing leadership in sustainability and implementing the strategy and goals

As at 31 December 2024, the Executive Committee is composed of nine Members.



The DSM-Firmenich Executive Committee.

From left to right: Dr. Sarah Reisinger, Philip Eykerman, Patrick Niels, Dimitri de Vreeze, Mieke Van de Capelle, Jane Sinclair, Ralf Schmeitz, Emmanuel Butstraen and Ivo Lansbergen



Composition Executive Committee



Dimitri de Vreeze

- **Nationality & Year of Birth:** Dutch, 1967
- **Education:** Master's in Business Economics, University of Groningen (Netherlands), Master's in Finance and Control, Maastricht University (Netherlands)

Chief Executive Officer

(since 2023)

Dimitri de Vreeze has held the position of CEO of dsm-firmenich since September 2023. Under his leadership, the company has made great strides to establish itself as a global leader in nutrition, health, and beauty, able to help customers deliver what consumers want, what we collectively need, and what our planet demands. Previously, he served as the former DSM's Co-CEO from 2020, having joined the company in 1990. Starting in Finance, he took on leadership roles in various Business Units around the world before being named Young Captain of the Year in the Netherlands in 2006. He was appointed to DSM's Managing Board in 2013 and was instrumental in setting DSM's strategy and executing its transformation journey to a fully focused health, nutrition, and bioscience company. He chairs the Young Captain Foundation, awarding and elevating young leadership potential, and is also the Chair of the ALV United World College Maastricht, bringing together young people from all directions of life to work together toward a peaceful and sustainable future.



Emmanuel Butstraen

- **Nationality & Year of Birth:** French, 1968
- **Education:** Master's in Agricultural Engineering, University of Lille (France), MBA, University of Lille (France)

Business Unit President Perfumery & Beauty (since 2023)

Chief Operations Officer (since 2024)

Emmanuel Butstraen was appointed President of dsm-firmenich's Perfumery & Beauty business in July 2023. In addition, he was appointed Chief Operating Officer of dsm-firmenich in May 2024. He has played an instrumental role in bringing the formerly-separate Perfumery and Ingredients divisions, giving clear accountability to managers, differentiating fine fragrance, and ensuring teams are laser-focused on customer typology. Previously, he served as the President of Taste & Beyond of the former Firmenich as from 2018 and drove the business's transformation to become the global innovation partner of choice to the food and beverage industry, leading growth across the Group's three segments: Beverages, Sweet Goods, and Savory. Creating winning solutions for customers with a focus on enhanced well-being, Emmanuel put Firmenich's expertise to work – making healthier choices taste great, from sugar and salt reduction to plant proteins, clean-label offerings, and functional nutrition solutions. Prior to joining Firmenich, Emmanuel was President of Solvay's Novecare global Business Unit, preceded by 17 years with BASF, where he served as Strategy Senior VP of the Agricultural Products division.





Mieke Van de Capelle

- **Nationality & Year of Birth:** Belgian, 1974
- **Education:** Master's in International Communication Strategy, University of Burgundy (France), Master's in Philology, Ghent University (Belgium), Diplomas in Business Administration and Management and Organizational Leadership, IMD Business School (Switzerland)
- **Listed Company Boards:** Spadel, Non-Executive Director
- **Non-Listed Company Boards:** Berlenger Enterprises, Board Member

Chief Human Resources Officer

(since 2023)

Mieke Van de Capelle was appointed as Chief Human Resources Officer of dsm-firmenich in April 2023. Previously, she served as Chief Human Resources Officer of the former Firmenich as from 2016. At Firmenich, she was responsible for leading the Global Human Resources, Sustainability, and Corporate Communications functions, setting the company's strategy and winning culture as a responsible business, with the additional responsibility of being the Secretary of the Governance and Compensation Committee of the Board of Directors. Under Mieke's leadership, dsm-firmenich has successfully implemented a new operating model, values and integration of all people processes cementing our new company's way of working as one. Also under her leadership, Firmenich became one of only seven companies worldwide to obtain the EDGE global certification for gender equality and was recognized with Ethical Corporation's global Diversity & Inclusion Award. A seasoned leader with more than 20 years of broad consumer goods experience, Mieke has worked across Europe, the US, and Asia.



Philip Eykerman

- **Nationality & Year of Birth:** Belgian, 1968
- **Education:** Master's in Chemical Engineering, KU Leuven (Belgium), Master's Refinery Engineering, French Petroleum Institute (France)
- **Listed Company Boards:** Umicore, Non-Executive Director

Business Unit President Health, Nutrition & Care and Head of M&A

(since 2023)

Philip Eykerman was appointed in April 2023 as President of the Health, Nutrition & Care (HNC) business and Head of Strategy and M&A, positions he also held at legacy DSM. In that time, he dealt with the consequences of our merger in HNC, drove the vitamin transformation program for HNC, and successfully grew HNC into a global leader in preventative health and patient care. He also led the Group's M&A activities (ANH divestment and portfolio fine-tuning activities) in line with our Group growth strategy, further strengthening our diverse expertise and unique capabilities as innovators in nutrition, health, and beauty.

Previously, Philip served as Executive VP of Corporate Strategy & Acquisitions at the former DSM, was a partner at McKinsey & Company, and leader of McKinsey's Chemicals Practice in Benelux and France. He was a member of the Advisory Board of the Rotterdam School of Management and in 2024 was appointed Non-Executive Director of Umicore, a circular materials technology company.





Ivo Lansbergen

- **Nationality & Year of Birth:** Dutch, 1973
- **Education:** Master's in Chemical Engineering, University of Enschede (Netherlands)

Business Unit President Animal Nutrition & Health

(since 2023)

Ivo Lansbergen was appointed as President of the Animal Nutrition & Health business of dsm-firmenich in April 2023. Prior to this, he worked at the former DSM as from 1997 and held several positions across the company's various Business Units before being appointed to lead Animal Nutrition & Health in 2019. In this role, he transformed the organization, reinforcing its position as a customer-focused partner in the development of feed ingredients for the global food supply chain.

Ivo Lansbergen has strengthened dsm-firmenich's Animal, Nutrition & Health business's expertise and reputation as a leading provider of solutions for farm productivity and sustainability throughout the value chain, including as a pioneer in the fast-emerging area of technology-driven precision nutrition and health. He is an experienced global executive, having worked in science-based industries across Europe and Asia during his career.



Patrick Niels

- **Nationality & Year of Birth:** Dutch, 1968
- **Education:** Bachelor's in Business Administration, Nyenrode Business University (Netherlands), Master's in Business Administration, Emory University (USA)

Business Unit President Taste, Texture & Health

(since 2023)

Patrick Niels was appointed as President of the Taste, Texture & Health business of dsm-firmenich in May 2023. In his current role, Patrick has successfully brought Taste and Ingredients Solutions under one roof and established cross-divisional collaboration. While transforming the business, he has continued to focus on performance and has succeeded in growing the two divisions above market. He started his international career in 1991 when he joined Gist-Brocades, which the former DSM subsequently acquired in 1998. He went on to hold various leadership roles across DSM, in pharmaceuticals, materials, and nutrition, including spending nine years in the US. At DSM, he oversaw the transformation of multiple businesses, creating high-performing growth teams centered around the shift to sustainability. Patrick built DSM's Food & Beverage business, which was established by combining the company's activities and capabilities from three former areas in 2021. Following the merger of DSM and Firmenich, his responsibilities included the integration of the full Food & Beverage activities of dsm-firmenich.





Dr. Sarah Reisinger

- **Nationality & Year of Birth:** American, 1979
- **Education:** Bachelor's in science, Biology, Harvey Mudd College (USA), Master's in Plant Biology, University of California, Berkeley (USA), Ph.D. in Microbiology, University of California, Berkeley (USA)

Chief Science & Research Officer

(since 2023)

Dr. Sarah Reisinger was appointed as Chief Science & Research Officer of dsm-firmenich in April 2023. She is driving dsm-firmenich towards new frontiers of scientific excellence, building on the company's legacy of industry-leading innovation. By embracing new technology to deliver breakthrough solutions in a fast-changing world, she harnesses a multidisciplinary and global approach to research and development. She had joined the former Firmenich in 2018 as Vice President of Biotechnology & Process Engineering, before becoming that company's Chief Research Officer in 2021.

Dr. Sarah Reisinger combines an extensive background in biotechnology with a strong track record in ingredients and technology development for the consumer goods industry. Prior to joining Firmenich, she held pivotal roles at Ginkgo Bioworks, Intrexon, and Amyris, having started her career in the field of biology and cancer therapeutics. She is also serving as Chair of EuropaBio.



Ralf Schmeitz

- **Nationality & Year of Birth:** Dutch, 1972
- **Education:** Master's degree, Economics, Maastricht University (Netherlands), Master's degree Accountancy, Maastricht University (Netherlands), Master's degree in Business Valuation, Erasmus University, Rotterdam (Netherlands)

Chief Financial Officer

(since 2023)

Ralf Schmeitz was appointed Chief Financial Officer (CFO) of dsm-firmenich in September 2023, marking a significant milestone in his journey with the company. He joined the former DSM in 2006, and his path has been marked by outstanding achievements and a track record of strong performance.

Ralf Schmeitz has played a pivotal role in propelling the transformation of the Finance function and in navigating substantial portfolio changes. Prior to his CFO role, he held the position of Head of Group Finance, overseeing Finance & Control, Treasury and Taxation. In his last role at DSM, he held the position of Group Controller, spearheading both the Business Controlling and Accounting teams. Ralf Schmeitz began his career at PwC, laying strong foundations and building financial and strategic acumen, and then moved to Hewlett Packard, where he assumed diverse leadership responsibilities in Finance.





Jane Sinclair

- **Nationality & Year of Birth:** Australian, 1962
- **Education:** LLB in Asian Studies and Law, Australian National University (Australia), MBA, Deakin University (Australia), INSEAD International Directors Program

Chief Legal, Risk, Regulatory and Compliance Officer

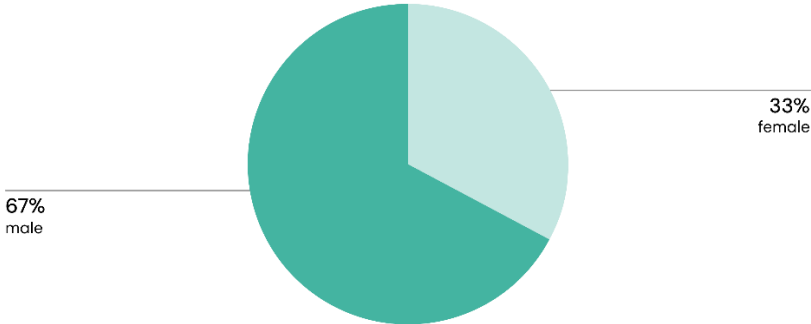
(since 2023)

Jane Sinclair was appointed Chief Legal, Risk, Regulatory and Compliance Officer of dsm-firmenich in April 2023. Previously, she served as General Counsel of the former Firmenich as from 2016. She is a seasoned governance expert and General Counsel with over 40 years of experience in the healthcare and consumer sectors living and working in Europe, the United States and Asia Pacific. Known for her strategic oversight and commitment to good corporate governance, she has been instrumental in setting up the risk and compliance governance ecosystem at dsm-firmenich. She has contributed to >20 significant mergers, acquisitions and spin-offs in the consumer goods and healthcare industries, ensuring compliance, minimizing risk exposure and establishing a solid foundation for a smooth transition. She has robust expertise in risk management, product regulatory, and compliance and proven experience in stakeholder management. Prior to joining Firmenich, Jane worked in multiple senior roles in Europe, the US, Asia-Pacific, and Australia for Abbott, AbbVie, Genea, and The Coca-Cola Company. She is a non-executive Board member of the National Safety Council (USA).

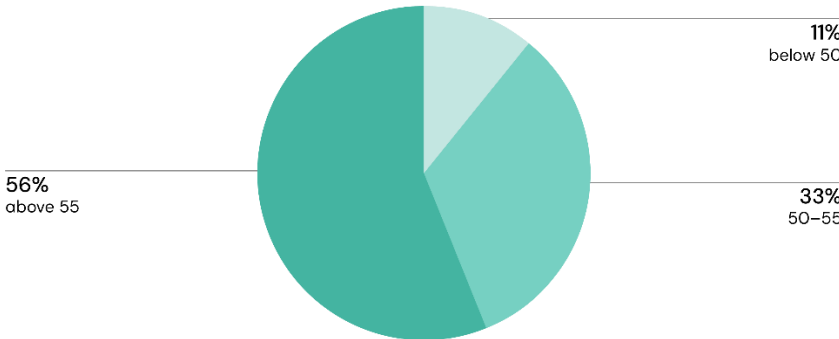
Executive Committee diversity profile

The composition of the Executive Committee in terms of gender and age is shown in the charts below.

Gender at 31 December 2024 (%)



Age at 31 December 2024 (%)



Shareholder participation, change of control and defense measures

Shareholder participation

Annual General Meeting

Convening

The Annual General Meeting (AGM) is held within six months of the end of the financial year (31 December). It is convened by the Board of Directors (or, if necessary, the external auditors, liquidators, or the representatives of the bondholders). Furthermore, one or more shareholders who together represent at least 5% of the Company's share capital or the voting rights may convene a General Meeting. Shareholders who together represent at least 0.5% of the Company's share capital or voting rights may request an item be placed on the agenda of a General Meeting, provided they submit details thereof to the Company at least 50 calendar days in advance of the General Meeting.

Calling

The General Meeting is called at least 20 calendar days in advance through publication in the Swiss Official Gazette of Commerce. Invitations to the General Meeting and supporting materials are published on the Company's [website](#).

Voting rights and representation of shares

Only those shareholders entered in the share register as shareholders with voting rights until the record date designated by the Board of Directors (and as indicated in the invitation to the General Meeting) are entitled to vote at the General Meeting. Shareholders entitled to vote

are entitled to give a proxy to a third party (who is not a shareholder) or to give voting instructions to the Independent Proxy (Christian Hochstrasser, c/o ThomannFischer, Elisabethenstrasse 30, 4010 Basel, Switzerland) either via the available electronic voting platform or in writing. All early voting on the electronic voting platform and all written instructions sent to the Company are deemed an authorization and instruction of the Independent Proxy. The Independent Proxy informs the Company only within the limits of Swiss law about voting trends (i.e., keeps all instructions received as confidential until three working days prior to the General Meeting).

The 2025 AGM will be held on 6 May 2025 in a hybrid format, i.e., physically in Kaiseraugst (Switzerland), with the additional option for shareholders to attend virtually with full participation possibilities. Shareholders wishing to attend virtually must notify their willingness to participate in the meeting no later than the date and time indicated in the invitation to the 2025 AGM.

Powers and quorum

The General Meeting is the supreme governing body of the Company. Its powers are listed in Article 10 of the Articles of Association. Unless otherwise stipulated by law or by the Articles of Association, resolutions are passed by an absolute majority of the votes represented at the General Meeting. Article 16 of the Articles of Association lists the resolutions that require a qualified majority of the votes.

Change of control and defense measures

The rules on the duty to make an offer are described in Articles 4.4 and 6 of the Articles of Association.

There are no change of control clauses. In the event of change of control, the Board of Directors may in its sole discretion decide on an accelerated vesting of share units granted under equity-based remuneration plans, or take other decisions considered necessary, to the extent that the vesting shall have an outcome that is deemed reasonable given the circumstances.



Auditors

Mandate and term of office

KPMG AG was appointed by the 2024 Annual General Meeting (AGM) as Group and statutory auditors of DSM-Firmenich AG for the financial year 2024. The responsible licensed audit experts are Petra Groenland-van der Linden and Carlos Alvarez, with Petra Groenland-van der Linden as auditor in charge. The Audit & Risk Committee and the Board of Directors reconsider on an annual basis whether the external auditors should be proposed for re-election to the General Meeting.

Auditing fees

The auditing fees paid to KPMG in its capacity as the Company's statutory auditor for the 2024 Consolidated Financial Statements amount to €10,831,000, including fees for services related to the review of non-financial information. In addition, KPMG provided audit and assurance services amounting to €2,153,000, non-audit services amounting to €206,000 for tax services, and €128,000 for other various non-audit services. The scope of the audit of the 2024 Consolidated Financial Statements and respective audit fees were approved by the Audit & Risk Committee and defined in an engagement and fee letter signed by the CEO and CFO. All other services were pre-approved in accordance with applicable internal policies.

Information to the Audit & Risk Committee

KPMG attended eight Audit & Risk Committee meetings held in 2024, including three private sessions without the presence of management. The lead auditor and the Chair of the Audit & Risk Committee meet prior to each Audit & Risk Committee to prepare the meeting.

Auditor rotation

The audit rules of the European Union require DSM B.V. (a directly and wholly owned affiliate of DSM-Firmenich AG) to rotate its external auditor for the financial year 2025. This rotation concurrently requires a rotation of the DSM-Firmenich AG statutory and Group auditor in 2025, as a major part of the Group's business is represented in the entities held directly or indirectly by DSM B.V. In view of these requirements, the Audit & Risk Committee initiated an auditor selection process in the third quarter of 2023 and mandated a Selection Committee to conduct a tender process.

The Selection Committee consisted of the Chair of the Audit & Risk Committee, the CEO, and the CFO. The Selection Committee oversaw the execution of the tender process, which was performed by a tender team consisting of employees from the Finance and Procurement teams. The amended Audit Directive (2014/56/EU) and the Audit Regulation (537/2014/EU) of the European Union, which prescribe specific requirements on the appointment of statutory auditors or audit firms, were considered in the audit tender process.

In addition, the Selection Committee considered the report of the Dutch Authority for the Financial Markets (AFM) published in February 2021, which provides recommendations on external auditor selection. The auditor selection criteria, which were validated by the Audit & Risk Committee,

emphasize the requirements for independence, the ability to provide financial and non-financial assurance, global footprint, quality ratings, and an excellent professional knowledge network of IT, systems processes and controls.

In February 2024, considering the results of the audit tender process and the recommendation of the Selection Committee, the Audit & Risk Committee recommended to the Board of Directors the appointment of PricewaterhouseCoopers AG as external Group and statutory auditors starting from the financial year 2025. The Board of Directors approved the recommendation subject to the powers of the General Meeting. Further details on the auditor selection process were shared in the invitation to the 2024 AGM which can be found [here](#).

At the AGM that will be held on 6 May 2025, the Board of Directors will propose the election of PricewaterhouseCoopers AG (PwC) as external statutory auditor for the financial year 2025. Subject to its election at the AGM, PwC will provide financial and non-financial audit services to the Company. PwC has confirmed that it meets all independence requirements to carry out the audit mandate. The designated responsible Auditor in charge will be Christopher Vohrer, and Ennèl van Eeden will serve as the Global Client Service Partner.



Board statement and closed periods

Board statement

This Report includes the dsm-firmenich 2024 Management Report as well as the Consolidated Financial Statements for the purpose of the Dutch Act on Financial Supervision (*Wet Financieel Toezicht*), section 5:25c.

In accordance with the Dutch Decree on Transparency for issuing entities subject to the Dutch Act on Financial Supervision (*Besluit Transparantie uitgevende instellingen Wft*) Article 10, the Directors declare that, to the best of their knowledge:

- The Consolidated Financial Statements have been prepared in accordance with the applicable reporting requirements
- The Management Report gives a true and fair view of the development and performance of the business, the position of the company, and the principal risks and uncertainties the company faces. The Report also contains information on major events that took place after year-end, if applicable, as well as future developments

Thomas Leysen,
Chairman of the Board of Directors

Dimitri de Vreeze,
Chief Executive Officer

Closed periods

According to our Group's Insider Trading policy, the Board of Directors, the Executive Committee (including the CEO), and employees who have (or may have) access to material non-public information (such persons are referred to as 'Designated Persons') are banned from trading in Group financial securities during closed periods.

Closed periods for Members of the Board of Directors and the Executive Committee are the periods starting the 29th day after a financial release until the next financial release (which, however, shall never be shorter than 30 calendar days before a financial release). Closed periods for Designated Persons are: i) the periods two months prior to the publication of the annual financial statements of the Group; and ii) the periods starting on the first day of a quarter until the publication of the Group's quarterly financial statements for that quarter (which, however, shall never be shorter than 30 days before a financial release).

In 2024, the closed periods were:

Closed periods for Board of Directors and Executive Committee

- 28 November 2023 up to and including 14 February 2024
- 15 March 2024 up to and including 1 May 2024
- 31 May 2024 up to and including 29 July 2024
- 28 August 2024 up to and including 30 October 2024
- 29 November 2024 up to and including 12 February 2025

Closed periods for Designated Persons

- 14 December 2023 up to and including 14 February 2024
- 1 April 2024 up to and including 1 May 2024
- 1 July 2024 up to and including 29 July 2024
- 1 October 2024 up to and including 30 October 2024
- 12 December 2024 up to and including 12 February 2025

Information policy

The Company is committed to open and consistent communication with shareholders and other stakeholders. The Company uses its [website](#) to share and ensure rapid and equitable distribution of information. This includes the following resources:

- Share performance, analyst consensus, and the financial calendar are available [here](#)
- Press releases are available [here](#)
- Corporate governance documents are available [here](#)

Major announcements are accompanied by a live presentation broadcast on the internet. Furthermore, throughout the year, the Investor Relations team engages with investors (current or prospective) and relevant sell-side analysts in virtual and in-person meetings, conference calls, roadshows, broker conferences, or other events. In certain cases, Members of the Executive Committee also participate in meetings with the financial community (see [Investor engagement](#)).

The Investor Relations team can be contacted via e-mail at investors@dsm-firmenich.com.



Our approach to risk management

Our risk management framework is based on the COSO Enterprise Risk Management model. It supports the Group, our Business Units, and our Business Partners in managing risks that might prevent us from achieving our strategic, financial, and operational objectives and in protecting company assets, including our reputation.

Governance framework

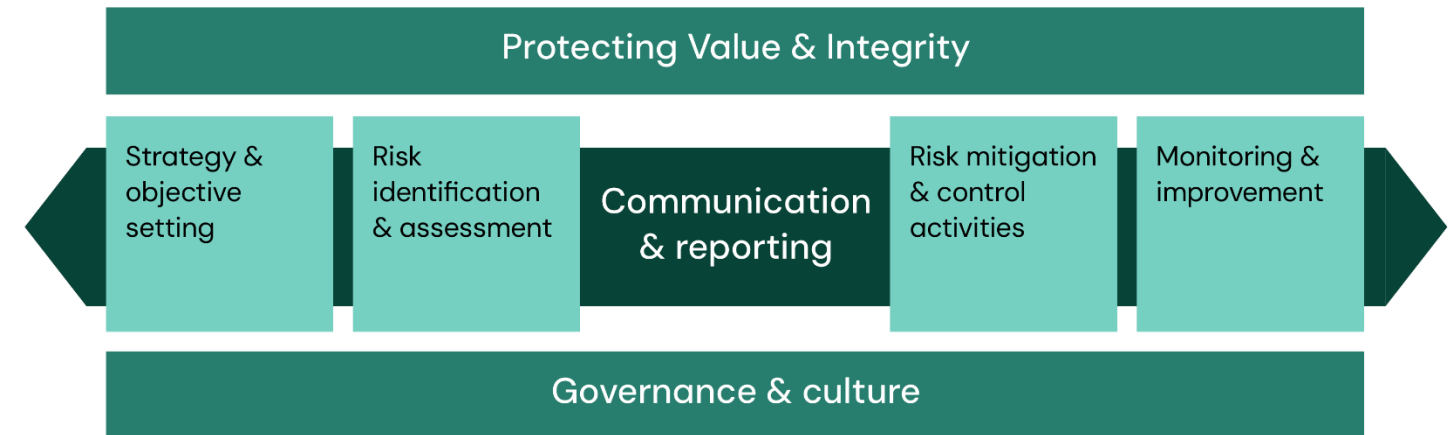
Governance and culture form the foundation for the four pillars of the risk management process (see graphic opposite), which are strategy & objective setting, risk identification & assessment, risk mitigation & control activities, monitoring & improvement. This protects our value & integrity. Communication & reporting ensures the connection between the pillars and the sharing of adequate information with internal and external stakeholders. The building-blocks are summarized in the following paragraphs.

Governance & culture

As part of our Corporate Governance, the Board of Directors delegated management of the Group to the CEO and the Executive Committee, except where this is restricted by law or regulation. Furthermore, the Executive Committee, with the approval of the Board, has determined the operating model as guidance for the operations of, and cooperation between the Business Units and the Business Partners. These are therefore jointly responsible for achieving our objectives and managing the associated risks.

To further implement this, the following roles and responsibilities are assigned, in line with the Three Lines model:

- First line: identifying, assessing, and managing risks is an integral part of the responsibility of each manager



Our Enterprise Risk Management framework

- Second line: Business Partner functions provide expertise and support, and monitor compliance for their area. They define objectives for the function, Group policies and standards, and efficient and robust business processes, including controls
- Third line: the Group Audit department provides independent, objective assurance and advice regarding the effectiveness of governance, risk management, and control activities

The Board of Directors has approved our values as well as our [Code of Business Ethics](#). The Executive Committee and management are a role model for living out the Code of Business Ethics and ensure compliance with it. This 'tone at the top' supports effective risk management by creating risk awareness and giving it appropriate priority. In combination, these elements form the governance & culture foundation of our risk management framework.

Strategy & objective-setting

Our Group and Business Unit strategies and objectives are set by the Executive Committee and presented to the Board of Directors for approval. These strategies and objectives are translated into specific plans and priorities and are elaborated in further detail for all levels in the organization.

Risk identification & assessment

The realization of an ambitious strategy always entails risks. To enable informed decision-making, these risks are identified and assessed at all levels of the organization pursuant to our Enterprise Risk Management framework. Risk assessments may focus on various topics (e.g., business strategy, company process, social/environmental issues). Twice a year, the Executive Committee discusses the material Group risks as part of the Group risk



assessment, with the Audit & Risk Committee reviewing and validating these risks before discussing them with the Board of Directors. See [Material risks and uncertainties](#). In addition, topics covering our Group risks are regularly on the agendas of our Executive Committee and our Board of Directors meetings.

Risk mitigation & control activities

As part of our Enterprise Risk Management framework, mitigating actions and controls are defined and implemented for the most relevant risks. Controls include policies, standards, Segregation of Duties (SoD) management, business continuity management, and business reviews. Control activities, whether preventive or detective, are integrated into our processes and executed by the first line.

Monitoring & improvement

The Internal Control department within Legal, Regulatory, Risk and Compliance owns the Internal Control framework. This framework defines the standard set of key controls that must be performed by the first line. It aims to ensure reliable financial reporting, mitigate fraud risks and safeguard our assets. The effectiveness of the key controls is independently tested by the Internal Control department. The effectiveness of the design and the operation of our overall risk management framework is evaluated by the Audit & Risk Committee to support the Board statement.

Communication & reporting

Risk reviews take place by means of structured processes, and on an ad-hoc basis if necessary. Twice a year, as part of our Enterprise Risk Management framework, all Business Units and Business Partners report their material risks and incidents to the Executive Committee and the Audit & Risk Committee.



Material risks and uncertainties

Risk assessments are performed at all levels of the organization. Material risks for our Business Units and our Business Partner functions are reported to the Executive Committee and the Audit & Risk Committee twice a year.

In addition, the Executive Committee has a separate discussion to determine the Group's material risks. These are shared with and reviewed by the Audit & Risk Committee and the Board of Directors and form the basis for the risk disclosures below.

Our risk profile

The table opposite details the five most important short-term risks that might have a material impact within three years and have the potential to prevent us from successfully implementing our strategy and achieving our targets. For each of these risks, the mitigating actions we are taking to reduce our exposure are described. These risks are labeled as top risks either because the exposure on dsm-firmenich's EBITDA is an indicative €45 million or more, or because they have a major non-financial impact, such as on the company's reputation.

Top risks, descriptions, and mitigations

Risk	Description	Mitigations
Data management and digital transformation	Poor data governance and data management carry the risk of data breaches, resulting in failure to maintain data confidentiality and/or unauthorized access to sensitive information, leading in turn to financial losses and reputational damage. Data management forms the backbone of our digitalization roadmap. The successful execution of our roadmap is important for delivering on our strategic and financial targets. The implementation of this roadmap remains complex. This, in combination with certain resource constraints, means there is a risk that the digital transformation roadmap may not be implemented according to plan or may not deliver targeted benefits in full.	We established a governance structure around data management, under the oversight of our Data Council. A Data Governance policy was launched and Data Domain owners have been identified for priority data domains. Data leaders from the Data and AI unit have been appointed to enhance governance across all business platforms and data domains. A Data Governance roadmap is in place to measure progress. Additional information on data governance and AI is provided under Cybersecurity, information security, data governance, and artificial intelligence . In our operating model, Business Partners allocate dedicated resources to drive digitally-enabled process excellence. Furthermore, our capacity and capability in Digital & Tech are continually strengthened. The Group Investment Committee supports the Executive Committee in managing the digital project portfolio, setting the right priorities and allocating resources accordingly. All key projects are subject to quality reviews by an independent, multi-disciplinary team of experts at specific moments throughout project implementation.
Geopolitical instability	We operate globally and could therefore be affected by geopolitical instability and related economic decline, such as: <ul style="list-style-type: none"> • Trade restrictions, raw material and energy shortages, and supply disruptions, hampering our ability to supply our customers • Lower economic growth and declining disposable income, impacting demand for our products • Inflation, putting pressure on our margins 	Our business continuity management governance and processes are key components of our operating model. To reduce the impact of potential disruptions, preventive actions are taken, such as reducing single-source positions, qualifying back-up manufacturing sites, and optimizing safety stocks. Continuous monitoring of potential disruptions in our supply chains enables us to act with speed as and when necessary. We hedge part of our exposure to purchasing price fluctuations and currency fluctuations.
Commodity markets	We operate in highly competitive markets. There is a risk that some competitors may benefit from a lower cost position. Where we cannot differentiate ourselves sufficiently, this could impact our sales volumes and margins.	We prioritize high-growth and higher-margin market segments and we monitor the competitive landscape. To address the needs of customers and end-consumers in these segments, we develop innovative products and services and offer differentiating value propositions. We make full use of our wide-ranging expertise, our scientific, technical, and data-driven innovation capabilities, and portfolio of natural and renewable ingredients. In all our Business Units, we focus on maximizing operational performance. In 2024, we continued the vitamin transformation program launched in 2023 to improve profitability, structurally reduce our exposure to price fluctuations, and deliver significant savings.
Talent availability	Our success depends on our employees, including – but not limited to – scientists, researchers, perfumers, flavorists, and experts in digital and data science. In view of the tight labor market and the ongoing challenges of the macro-economic environment, there is a risk that we may be not able to attract, retain, develop, and engage the people with the required expertise, experience, and mindset needed for the implementation of our strategy.	We operate a range of company-wide initiatives addressing topics such as integrated rewards, people development, well-being, engagement, and Diversity, Equity & Inclusion. We monitor retention rates as well as employee engagement, taking appropriate action as and when needed. We frequently connect with our employees to update them on the company's performance, its position in the various markets we serve, and the challenges and opportunities before us.
Cyber security	As external cyber threats remain high, we are exposed to the risk of cyber-attacks. This could lead to discontinuity of operations and the loss of integrity or confidentiality of information.	We invest in our information security systems to strengthen our security. We have a single cyber security framework covering IT, operations technology, and R&D laboratory systems. Since the 'human firewall' remains critical, we have intensified our phishing tests to keep employee awareness high. To mitigate the impact of a potential attack, we have developed robust business continuity and disaster recovery plans. Additional information on Cyber security is provided under Cybersecurity, information security, data governance, and artificial intelligence .



Cyber security, information security, data governance, and artificial intelligence

We have robust policies on everything from cybersecurity and information security to data governance and Artificial Intelligence.

Cybersecurity and information security

Robust cybersecurity and information security involves guaranteeing that proper safeguards and protections are in place on data privacy rights for individuals, companies, and other entities, as well as assuring access to IT systems, networks, and other data. Rigorous processes and systems, as well as strict data handling and security practices, are essential to prevent IT system failures and major information security or cybersecurity incidents, among other issues. The risk associated with cybersecurity and information security has been identified as a material risk for our company, and the topic of cybersecurity and information security is reviewed twice a year by the Audit & Risk Committee.

To minimize the financial impact in case a cyberattack might occur, we are covered through cyber insurance.

We experienced no major cyber incidents in 2024. In 2023, however, a service provider had a data compromise in which non-sensitive employee data was exposed. Immediate actions were taken with the service provider to remediate the incident, security policies and guidelines for software and service providers were strengthened, and our data security measures and awareness were reinforced. For further information, see [Material risks and uncertainties](#).

Data governance

At dsm-firmenich, data governance is fundamental to building robust data foundations, accelerating transformation programs, and harnessing emerging

technologies. The implementation of our recently launched Data Governance policy will play a crucial role in enhancing customer experience, driving innovation, and improving operational efficiency. By implementing clear frameworks, standards, and ownership, we ensure the protection and optimal management of critical data across our company. Our approach focuses on improving the quality, accessibility, and reusability of data, which in turn reduces operational costs and risks, enhances operational excellence, and enables faster, more effective and ethical use of data. Through business-led initiatives supported by our Data Council, we foster a data-driven culture that aligns with our strategic goals and drives sustainable change.

Artificial intelligence (AI)

We are leveraging the transformative potential of artificial intelligence to enhance customer experiences, drive innovation, and improve operational efficiency. Our strategic deployment of AI technologies enables us to deliver more personalized services while streamlining our own processes to better serve our global stakeholder community.

Leadership in the adoption of AI comes with profound responsibilities. Our AI governance framework emphasizes transparency, fairness, and ethical considerations throughout the development and deployment lifecycle. We are committed to responsible AI practices that prioritize the interpretability of outcomes, operational stability, and active identification and mitigation of potential biases. The Board of Directors and the Executive Committee completed a training course on AI in 2024, and

the risks and opportunities of AI are periodically reviewed by the Board of Directors.

We recently launched a policy on Responsible AI. The policy establishes a Responsible AI Committee to supervise its implementation and a governance framework for this rapidly evolving field. It is accompanied by procedures that describe how to conduct any data science and AI projects in an effective and responsible manner. As we continue to advance our AI capabilities, we remain focused on creating sustainable value while upholding the highest standards of responsible innovation. We maintain a strong competitive position while actively addressing both emerging challenges and new opportunities in the digital transformation of the flavor, fragrance, and nutrition industries.

Competitive advantages

Our extensive proprietary database, acquired through decades of scientific research and market leadership, is a significant competitive advantage in developing AI-powered solutions. This unique asset, combined with our deep understanding of molecular science and formulation expertise, enables us to create AI models that are both innovative and viable.

Strategic challenges

The acceleration of digital transformation across our industry presents challenges that need close attention. We recognize the need to modernize our technological infrastructure to fully capitalize on the opportunities of AI and Generative AI. We also face more competition for specialized AI talent in a highly competitive market. We are actively addressing these



challenges through targeted investments in technology and talent development programs.

Market opportunities

We see significant potential in developing integrated solutions that combine our advanced AI capabilities with our established expertise in natural and synthetic ingredients. The market increasingly demands innovative, sustainable solutions, and our AI initiatives are conceived to address evolving customer needs.

Competitive environment

The emergence of technology-focused startups in our industry has intensified competition, particularly in digital solutions and AI-driven product development. Agile competitors leverage publicly available data and advanced AI models to target specific market segments. We are responding proactively by accelerating our own digital initiatives and by leveraging our extensive proprietary datasets, while maintaining our commitment to scientific excellence and regulatory compliance.

Forward-looking strategy

Looking ahead, we are implementing a strategy to strengthen our competitive position in an AI-enabled market. This data strategy focuses on maximizing the value of our proprietary information while incorporating relevant external data sources. We continue to invest in our digital infrastructure and AI capabilities across all business segments. Through our corporate venture program, we actively evaluate strategic partnerships as well as investment opportunities in promising AI

technologies. Most importantly, we are focusing our innovation efforts on areas where our traditional scientific expertise creates unique synergies with our advanced AI capabilities.

We believe this balanced approach to AI integration, combined with our established market leadership and scientific expertise, positions us strongly for continued success in an evolving competitive landscape.

Other important risks

In 2023, certain competition authorities commenced an industry-wide investigation into the fragrances sector. As part thereof, unannounced inspections were carried out at several Firmenich offices and Firmenich received a subpoena from the Antitrust Division of the United States Department of Justice.

The company is fully cooperating with the authorities. The investigations are expected to continue at least until 2025. As per the date of release of this Report, no further update on the status or outcome of the investigation is available. In addition, multiple civil lawsuits have been filed against the company relating to the investigation.

Information relating to sustainability risks (including climate risk) is disclosed in the [Sustainability Statements](#). Material sustainability risks are integrated and managed as part of the regular Enterprise Risk Management framework. The impact of physical climate change and loss of biodiversity on our value chain is included as a long-term risk.

There are also other business risks, such as innovation, business continuity, product quality, tax, changing regulations, increasing non-financial reporting requirements, and the separation of our Animal Nutrition & Health business. Our Enterprise Risk Management framework is set up to adequately monitor and respond to these risks.

All relevant risks are considered in the preparation of our financial statements.



Compensation

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Compensation report 2024

This compensation report illustrates how we have implemented our new remuneration structure since the start of our merger in 2023. It contains a comprehensive overview of our rewards design and governance.

The report not only outlines facts and figures but also explains the considerations we used to arrive at our decisions. It additionally clarifies the roles, responsibilities, and governance procedures involved. It has been prepared in compliance with Article 734 et seq. of the Swiss Code of Obligations. It comprises the information required by the Code, while taking into consideration the Swiss Code of Best Practice for Corporate Governance.

The compensation details for 2024 cover the entire year and are compared to 2023. It should be noted that the 2023 figures pertain to the period from 18 April (the listing date of our merged Company) to 31 December 2023. Therefore, the numbers are not fully comparable.

Activities of the Compensation Committee in 2024

Chaired by Carla Mahieu, the Compensation Committee comprises additionally Thomas Leysen, Frits van Paasschen, and André Pometta (no change compared to 2023). The Committee is assisted by in-house rewards experts. A new external rewards advisor, Willis Towers Watson, was selected in November 2024 to support us as and when needed going forward.

The Compensation Committee performed its regular activities throughout the year. These included reviewing business performance, regulatory changes around remuneration, and reporting and market assessments of Board

and Executive Committee pay structures. New targets were set for business and sustainability performance in 2024, building on the framework that had been put in place at the inception of the merger, fit for purpose for our young organization. For the first time, the target set for the 2024 Long-Term incentive grant includes a measurable reduction of our Scope 3 greenhouse gas emissions.

The voices of our stakeholders

Remuneration requires close collaboration with the Executive Committee and reward experts, as well as engagement with our stakeholders and proxy advisors, helping us to make thoughtful and well-informed decisions.

This reveals a range of different perspectives: whereas some stakeholders voice a preference for a higher financial weight in variable remuneration schemes, others believe that we are appropriately positioned, appreciating both the measurability of our sustainability goals and their clear link to our strategy and our license to operate. In alignment with our purpose and strategy, we will continue to set ambitious, impactful goals that drive long-term sustainable value creation.

The Compensation Committee will balance these views by making remuneration decisions that support the transformation of our company. As the remuneration structure was introduced in 2023, there is no immediate reason for change.

The Committee believes that the design of our remuneration structure is balanced in comparison with our peers and industry benchmarks and that it adequately supports the rollout of our strategic objectives.

Transparency

Our compensation structure is aligned over the long term with our company strategy of becoming a Category of One.

We always aim for transparency and clarity in our disclosures, seeking to enhance the information provided without disclosing business-sensitive information in a manner that would serve neither our own interests nor those of our stakeholders.

Our 2023 Compensation Report received convincing support at the 2023 Annual General Meeting (AGM). Transparency – especially regarding the ex-post disclosure of Short-Term Incentive (STI) targets and their achievement – remained a focal point. Building on the disclosure of Long-Term Incentive (LTI) targets, this year's report also discloses the targets and achievement of the goals governing our STI in 2024.

In accordance with the CSRD requirements, our Sustainability report includes the Annual Pay ratio, i.e., the ratio between total compensation of the best-paid employee in the company versus the median of all other employees.



2024 performance

We strive to enable our people to be the best version of themselves every day, driving the success of the company and *bringing progress to life*. Besides building a strong, unified culture underpinned by shared values and development opportunities, the dsm-firmenich remuneration approach is an important building-block for achieving this.

dsm-firmenich aims to reward progress, emphasizing a performance-driven culture that helps to achieve outstanding results. We aim to compensate all employees fairly in line with market conditions, and we do this by offering competitive, results-oriented remuneration incorporating an appropriately balanced mix of fixed and variable compensation. Our incentive programs are designed to attain stretched targets, encouraging the achievement of strategic objectives, and allowing our employees to share in our success.

We are well on track of our strategic course and delivered on all our commitments in 2024. Supported by the delivery of merger synergies and the vitamin transformation program, the financial results in all our businesses strongly improved, while our cash flow surpassed our mid-term target. The strong financial results translate into maximum achievement of the financial targets of the Short-Term Incentive program. This was also the case for Safety, while the engagement of our workforce as well General & Administrative synergies were on par with the predefined target. Overall, the STI achievement landed on 175% of target.

Outlook for 2025

As we look ahead to 2025, our focus remains on aligning remuneration to the implementation of our business strategy, fostering a performance-driven culture, innovation, and longer-term sustainable growth. In this respect, we appreciate the feedback of our stakeholders,

and we will continue to monitor market developments (both quantum and plan design) and, if necessary, will act upon continuously evolving governance regulations. With this report, we aim to help our readers to build an informed opinion of our company’s reward practices. On behalf of the Compensation Committee and Board of Directors, I thank our stakeholders for their support.



Carla Mahieu
Chair, Compensation Committee



Compensation at a glance

Board of Directors (BoD)

To ensure independence, the Members of the Board of Directors receive a fixed fee partially in cash and partially in Restricted Share Units (RSUs). Committee fees are provided in cash. RSUs are subject to a three-year vesting period.

Applicable fee structure for BoD on an annual basis:

Fixed fee	Cash	RSUs
<i>(In CHF)</i>		
Chairman	400,000	400,000
Vice Chair	122,500	122,500
Member	100,000	100,000
Committee fees	Cash	RSUs
Chair Audit & Risk committee	40,000	n.a.
Chair other committees	30,000	n.a.
Member Audit & Risk committee	25,000	n.a.
Member other committees	20,000	n.a.

There is no minimum shareholding requirement for Members of the Board of Directors.

The below table concerns the actual (2024) and allocated (2025) remuneration provided for the period 8 May 2024 until the Annual General meeting on 6 May 2025, compared to the total maximum remuneration as approved by the General Meetings on 7 May 2024.

Approved and Actual/Allocated compensation of the BoD:

Total compensation	Approved	Actual/Allocated
<i>(In € considering the 2024 Average Fx rate*)</i>		
AGM 2024 (8 May) until AGM 2025 (6 May)	3,756,621	3,397,866

* Fees are determined and paid in CHF; reporting herein is based on €. During the year, payments are converted to €. The average Fx rate is €1 = CHF0.9527.

The total compensation excluding social security contributions remains within the approved amount. As of 31 December 2024, the Members of the Board of Directors held 16,078,913 shares and 30,755 RSUs.

Executive Committee (ExCo) and Governance

We want to attract and retain qualified leaders who can shape our future, rewarding progress in innovation and growth. We focus on long-term stakeholder value, aim to be competitive, and strive to align rewards with our strategy and sustainability ambitions. The below table provides an overview of target Total Direct Compensation (including Base Salary, the Short-Term and the Long-Term Incentives). Any share units granted are subject to a three-year vesting period.

Total Target Direct Compensation of the ExCo:

Position	Target STI	Target LTI
<i>(In % of Annual Base Salary)</i>		
CEO	100%	200%
Other ExCo Members	85% or 100%	120% or 100%

The minimum shareholding obligation is 300% (of annual Base Salary) for the CEO and 100% for other ExCo Members, to be accrued in a five-year period.

The total compensation excluding social security contributions awarded to the Members of the Executive Committee during 2024 remained within the maximum amount of total compensation for the same period as approved by the General Meeting on 29 June 2023 (see below table).

Approved and Actual compensation of the ExCo in 2024:

Total compensation	Approved	Actual
<i>(In € thousand), considering the 2024 Average Fx rate*)</i>		
Total Compensation	39,794	35,323

* Compensation is determined in CHF; reporting herein is based on €. During the year, payments are converted to €. The average Fx rate is €1 = CHF0.9527.

On 31 December 2024, the CEO held 86,933 shares. The other Members of the Executive Committee in total held 97,056 shares.

- Remuneration decisions are governed by the Swiss Code of Obligations and the Company's Articles of Association.
- The prospective maximum remuneration for the Board of Directors and the Executive Committee is subject to a binding vote at the General Meeting.
- The General Meeting casts a non-binding vote on the Compensation Report.



Compensation governance

Governance structure

As determined by the Swiss Code of Obligations and the Articles of Association, the remuneration of the Board of Directors and the Executive Committee is subject to approval by the Annual General Meeting, upon a proposal by the Board of Directors (see first table opposite).

Considering proposals of the Compensation Committee, the Board of Directors shall approve the terms and conditions of Short- and Long-Term Incentive plans (to be settled in cash or equity), including performance targets. Furthermore, the Board of Directors approves the terms and conditions of employment arrangements of the Board of Directors and the Executive Committee and may provide for adjustment mechanisms or claw-back of incentive-based compensation. Regarding equity compensation plans, the Board of Directors shall determine the plan specifics. These include, but are not limited to, grant value, vesting requirements, blocking, and/or lock-up periods and forfeiture conditions.

Compensation Committee

Governed by the Compensation Committee charter, the Compensation Committee comprises four non-Executive Directors, to be appointed for one year by the Annual General Meeting. For the period from the 2024 AGM until the 2025 AGM, the Committee Members

are: Carla Mahieu (Chair), Thomas Leysen, Frits van Paasschen, and André Pometta. The Chair determines the agenda, while the Chief Human Resources Officer (CHRO) and relevant experts prepare and provide materials for the Compensation Committee meetings (see the table 'Annual agenda Compensation Committee' opposite). The Compensation Committee may invite the CEO or other Executives to their meetings as deemed necessary. They have an advisory role and no voting rights. This is also the case for external experts and advisors who may be engaged during the year to provide legal and external market insights.

The shareholders are involved in the decisions concerning the remuneration of the Board of Directors and the Executive Committee. The General Meeting has a binding vote on the maximum remuneration for the Board and the Executive Committee. In accordance with the Articles of Association, such a binding vote has a prospective nature and concerns the maximum remuneration for the period until the next General Meeting (Board of Directors) or the following calendar (i.e., financial) year (Executive Committee). We submit a compensation report to the General Meeting (non-binding vote), inviting the shareholders to express their opinion on the remuneration in the previous year.

The graphic opposite provides an overview of the relevant decisions on compensation (to be made by the Annual General Meeting).

Compensation governance structure

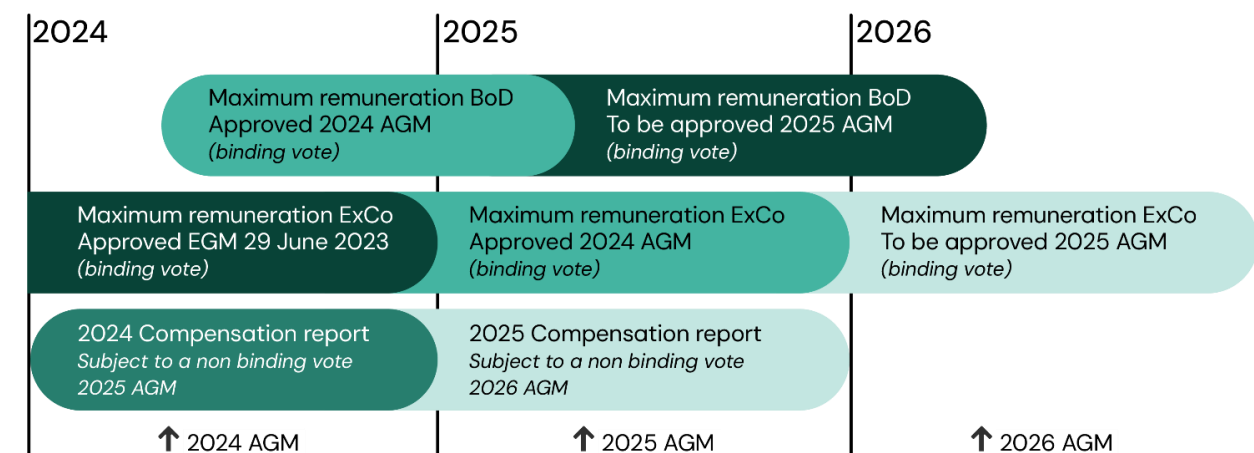
Remuneration of	Proposal by	Approval by
Board of Directors as a whole Executive Committee as a whole	Board of Directors Board of Directors	Annual General Meeting Annual General Meeting
Chair of the Board of Directors; CEO ¹ Members of the Board of Directors Members of the Executive Committee	Compensation Committee Compensation Committee Compensation Committee	Board of Directors Board of Directors Board of Directors

1. The CEO will not attend (those parts of the) meetings if items are discussed involving him individually.

Annual agenda Compensation Committee

1 st Half of financial year	2 nd Half of financial year
<ul style="list-style-type: none"> Actual remuneration of the Board of Directors and Executive Committee Members, backward-looking Remuneration of the Board of Directors and Executive Committee, forward-looking STI and LTI actual performance achievement, backward-looking Trends in remuneration, governance, and regulatory requirements Validation of compliance checks with reward principles Validation of annual Compensation Report Preparation for AGM 	<ul style="list-style-type: none"> STI and LTI target performance measures, forward-looking Market benchmarking for Board of Directors and Executive Committee remuneration Stakeholder consultation Review of incentive design and alignment with strategy Preview of annual Compensation Report

Compensation decisions



Currency

As determined by the Articles of Association, the company currency is the euro (€). The remuneration of the Members of the Board of Directors and the Members of the Executive Committee is determined and paid in Swiss Francs (CHF). For Members of the Executive Committee employed by a non-Swiss entity, a conversion rate to the euro applies.

For the purpose of establishing the maximum remuneration amounts for the Board of Directors and the Executive Committee as approved by the General Meeting, a conversion rate was assumed (€1 = CHF1 for the envelope concerning the Executive Committee in FY 2024 and €1 = CHF0.98 for the envelope concerning the Board of Directors for the period between the 2024 and 2025 AGM). ('Assumed Fx rate'). For accounting purposes, payments during the year provided in CHF were converted to € using a monthly average rate. The 2024 average exchange rate was €1 = CHF0.9527 ('Average Fx Rate').

These converted amounts, plus any items (cash or equity) provided for in euros, represent the actual remuneration. In accordance with the Swiss Code of Obligations (art. 734 para. 2 in connection with art. 958d, para. 3), the actual remuneration stated in euros must be expressed in local currency (i.e., CHF) as well. In line with the accounting principles, the year-end Fx rate equal to €1 = CHF0.9412 ('Year-end Fx rate') applies in this respect. Amounts calculated by this means are referred to as 'CHF Value'.



Compensation of the Board of Directors

Set-up of the compensation of the Board of Directors

Our remuneration approach is designed to engage qualified independent directors who possess the required balance of personal skills, competencies, and experience. To ensure that we provide a fair and competitive remuneration, we conduct regular benchmarking. It is market practice to review the remuneration of the Board of Directors against practices in the country of domicile, so the companies included in the Swiss Market Index (SMI) serve as the benchmark (excluding companies whose compensation levels are considered materially higher than the SMI companies). The fees set are below the median of the reference group.

The remuneration consists of a Base Fee and Committee Fees to ensure that Members of the Board of Directors utilize their skills and competences to the maximum extent and to reflect the nature of their responsibilities and time spent. The Chair receives no fees concerning his participation in any Committee. To safeguard independence, fees are not linked to the achievement of any predefined individual or company performance targets. The fees for the Members of the Board of Directors are set and paid in CHF.

Annual Base and Committee Fees are set as included in the table opposite.

To align the interests of the Members of the Board of Directors with other stakeholders, half of the Base Fee is awarded in Restricted Share Units (RSUs) i.e., the right to receive a dsm-firmenich share at vesting. It is explicitly noted that RSUs are not tied to any individual or

company performance targets. The grant of RSUs is subject to the following guidelines:

- The number of RSUs to be granted will be calculated considering the share price at the grant date (i.e., the day after the AGM of the relevant year)
- RSUs do not carry voting rights and do not provide eligibility for dividend payments
- Vesting and holding period: three years, starting at grant date
- The possibility to conduct a sell-to-cover transaction at vesting to settle taxes due at the respective moment in time
- Upon leaving the Board, all outstanding RSUs recorded as unvested at termination date shall vest, subject to a holding obligation of the vested shares of a minimum of one year

The company pays employer contributions to social security systems in line with applicable regulations. These amounts are not included in the maximum amount for remuneration of the Board as approved by the General Meeting. Other than mandatory contributions to the company pension plan ('second pillar') applicable because of Swiss regulations, the fees are not pensionable. No mandatory shareholding requirement applies for the Members of the Board, no loans will be provided to Members of the Board of Directors, and expenses incurred in fulfilling duties are reimbursed, paid on submission of a statement of expenses.

Annual fees of the Board of Directors

	Base Fee	Committee Fee
	CHF	CHF
Chairman Board of Directors	800,000	
Vice-Chair Board of Directors	245,000	
Member Board of Directors	200,000	
Chair Audit & Risk Committee		40,000
Chair other Committees		30,000
Member Audit & Risk Committee		25,000
Member other Committees		20,000



Compensation Board of Directors 2024

Assignment to Committees

As of the 2024 AGM, Mr. Pradeep Pant is no longer a member of the Board of Directors. All other Members of the Board of Directors were re-elected at the 2024 AGM. The Members of the Board of Directors are assigned to the various Committees, as included in the table opposite.

Composition of the Committees of the Board of Directors

	Audit & Risk	Compensation	Governance & Nomination	Sustainability
Thomas Leysen (Chairman)		Member		
Patrick Firmenich (Vice-Chair)			Chair	
Sze Cotte-Tan				Member
Antoine Firmenich	Member			Chair
Carla Mahieu		Chair	Member	
Erica Mann			Member	Member
Frits van Paasschen	Member	Member		
André Pometta		Member		
John Ramsay	Chair			
Richard Ridinger			Member	
Corien Wortmann	Member			Member

Compensation provided to the Members of the Board of Directors in 2024

Considering the decision that 50% of the Base Fee will be awarded in cash and the remaining 50% in equity, the tables opposite and on the following page provide an overview of the total cash remuneration and the RSU grant in 2024.

The Company did not provide any loans to the Members of the Board of Directors, nor were payments made by subsidiaries of dsm-firmenich (except for payments regarding advisory roles observed by Members of the Board of Directors, including the Scientific Advisory Board, as included under 'Other').

No loans/credit facilities were granted, nor were payments (directly or indirectly) made to persons closely connected to the Members of the Board of Directors (Closely Associated Persons). (Audited).

Remuneration provided to the Members of the Board of Directors in 2024 (€) – Audited

In €	Year ¹	Base Fee in cash	Committee Fees ²	Other ³	Number of RSUs granted	Face value at grant ⁴	Remuneration excl. social security contributions	Social security contributions ⁵	Total Remuneration
Thomas Leysen (Chairman)	2024	419,752	-	-	3,857	409,036	828,788	-	828,788
	2023	312,049	-	-	4,791	384,288	696,337	-	696,337
Patrick Firmenich (Vice-Chair)	2024	128,566	31,489	6,619	1,181	125,246	291,920	14,303	306,223
	2023	95,565	21,712	4,561	1,468	117,749	239,587	10,401	249,988
Sze Cotte-Tan ⁶	2024	104,961	20,993	-	964	102,232	228,186	11,294	239,480
	2023	70,672	13,740	-	1,198	96,092	180,504	7,569	188,073
Antoine Firmenich	2024	104,961	57,731	41,667	964	102,232	306,591	14,510	321,101
	2023	78,012	39,805	57,856	1,198	96,092	271,765	10,443	282,208
Carla Mahieu	2024	104,961	52,482	-	964	102,232	259,675	-	259,675
	2023	78,012	36,187	-	1,198	96,092	210,291	9,326	219,617
Erica Mann	2024	104,961	34,604	-	964	102,232	241,797	10,316	252,113
	2023	78,012	14,475	-	1,198	96,092	188,579	21,692	210,271
Frits van Paasschen	2024	104,961	47,234	-	964	102,232	254,427	-	254,427
	2023	78,012	32,568	-	1,198	96,092	206,672	-	206,672
Pradeep Pant ⁷	2024	36,911	7,382	-	-	-	44,293	13,332	57,625
	2023	78,012	14,475	-	1,198	96,092	188,579	6,256	194,835
André Pometta	2024	104,961	20,993	6,619	964	102,232	234,805	11,294	246,099
	2023	78,012	14,475	4,561	1,198	96,092	193,140	8,293	201,433
John Ramsay	2024	104,961	41,986	-	964	102,232	249,179	21,026	270,205
	2023	78,012	28,949	-	1,198	96,092	203,053	16,156	219,209
Richard Ridinger	2024	104,961	20,993	41,667	964	102,232	269,853	21,102	290,955
	2023	78,012	14,475	57,856	1,198	96,092	246,435	14,765	261,200
Corien Wortmann	2024	104,961	47,234	30,006	964	102,232	284,433	5,509	289,942
	2023	78,012	32,568	-	1,198	96,092	206,672	9,647	216,319
Total	2024	1,529,878	383,121	126,578	13,714	1,454,370	3,493,947	122,686	3,616,633
	2023	1,180,394	263,429	124,834	18,239	1,462,957	3,031,614	114,548	3,146,162



Remuneration provided to the Members of the Board of Directors in 2024 (CHF) – Audited

CHF Value	Year ¹	Base Fee in cash	Committee Fees ²	Other ³	Number of RSUs granted	Face value at grant ⁴	Remuneration excl. social security contributions	Social security contributions ⁵	Total Remuneration
Thomas Leysen (Chairman)	2024	395,071	-	-	3,857	384,984	780,055	-	780,055
	2023	288,957	-	-	4,791	355,850	644,807	-	644,807
Patrick Firmenich (Vice-Chair)	2024	121,006	29,637	6,230	1,181	117,881	274,754	13,462	288,216
	2023	88,493	20,105	4,223	1,468	109,035	221,856	9,631	231,487
Sze Cotte-Tan ⁶	2024	98,789	19,759	-	964	96,221	214,769	10,630	225,399
	2023	65,442	12,723	-	1,198	88,981	167,146	7,009	174,155
Antoine Firmenich	2024	98,789	54,336	39,217	964	96,221	288,563	13,657	302,220
	2023	72,239	36,859	53,575	1,198	88,981	251,654	9,670	261,324
Carla Mahieu	2024	98,789	49,396	-	964	96,221	244,406	-	244,406
	2023	72,239	33,509	-	1,198	88,981	194,729	8,636	203,365
Erica Mann	2024	98,789	32,569	-	964	96,221	227,579	9,709	237,288
	2023	72,239	13,404	-	1,198	88,981	174,624	20,087	194,711
Frits van Paasschen	2024	98,789	44,457	-	964	96,221	239,467	-	239,467
	2023	72,239	30,158	-	1,198	88,981	191,378	-	191,378
Pradeep Pant ⁷	2024	34,741	6,948	-	-	-	41,689	12,548	54,237
	2023	72,239	13,404	-	1,198	88,981	174,624	5,793	180,417
André Pometta	2024	98,789	19,759	6,230	964	96,221	220,999	10,630	231,629
	2023	72,239	13,404	4,223	1,198	88,981	178,847	7,679	186,526
John Ramsay	2024	98,789	39,517	-	964	96,221	234,527	19,790	254,317
	2023	72,239	26,807	-	1,198	88,981	188,027	14,960	202,987
Richard Ridinger	2024	98,789	19,759	39,217	964	96,221	253,986	19,861	273,847
	2023	72,239	13,404	53,575	1,198	88,981	228,199	13,672	241,871
Corien Wortmann	2024	98,789	44,457	28,242	964	96,221	267,709	5,185	272,894
	2023	72,239	30,158	-	1,198	88,981	191,378	8,933	200,311
Total	2024	1,439,919	360,594	119,136	13,714	1,368,854	3,288,503	115,472	3,403,975
	2023	1,093,043	243,935	115,596	18,239	1,354,695	2,807,269	106,070	2,913,339

1. For 2023, this concerns the period from 18 April 2023 (inception of DSM-Firmenich AG) until 31 December 2023.

2. Positions of the Members of the Board of Directors as explained in previous paragraph. Committee Fees are provided in cash.

3. Concerns fees for advisory roles or second pillar pension contributions if required.

4. Face value at grant – number of Restricted Share Units (RSUs) granted times opening price at grant date. For the total number of RSUs granted in 2024, the fair value used for accounting purposes in accordance with the International Financial Reporting Standards (IFRS) amounts to €1,374,966 (CHF Value: 1,294,118).

5. Social security contributions by the Employer based on 2024 remuneration in any relevant jurisdiction.

6. Appointed on 1 May 2023.

7. Board membership discontinued as of 8 May 2024.



Compensation voting

The General Meeting of DSM-Firmenich AG on 7 May 2024 approved (with 98.07% in favor) a maximum total amount of remuneration for the Board of Directors of €3,651,947 for the period starting 8 May 2024 until 2025 AGM on 6 May.

The approved maximum amount was based on the following considerations:

- The amount does not include the company-related part of social security contributions paid in line with applicable regulations
- Exchange rate fluctuations are not included
- Other than mandatory contributions to the company pension plan ('second pillar') applicable because of Swiss regulations, the fees are not pensionable
- A sum was included to cover unforeseen circumstances

The table opposite provides an overview of the total maximum amount of remuneration as approved by the 2024 Annual General Meeting (AGM) for the period as of the 2024 AGM until the 2025 AGM and the actual remuneration (excluding social security contributions) awarded as of 8 May 2024 until year-end and the allocated amount to be paid over the period 1 January 2025 until 6 May 2025, thereby considering the Average Fx rate that applied for 2024. The total remuneration provided in 2024 to the Members of the Board of Directors amounted to €3,493,947 (€3,031,614 in 2023), excluding social security charges for the account of the company. This includes the value of the RSU grant: €1,454,370 (€1,462,957 in 2023) based on the face value (i.e., opening price) at the grant date. It is estimated that the total remuneration for the

Board of Directors for the period 1 January 2025 until 6 May 2025 will amount to €681,550. Added to the remuneration provided in 2024 (8 May–31 December), the total amount of €3,397,866 remains within the approved maximum amount.

In the 2023 Compensation report, it was confirmed that the Board of Directors' compensation in 2023 and the at the time allocated remuneration for the period 1 January until the 2024 AGM was expected to remain within the approved envelope as approved by the General Meeting. Considering the payments actually made between 1 January and 7 May (2024 AGM), this is reconfirmed.

Shareholding

By the end of 2024, the Members of the Board of Directors, including Closely Associated Persons, held 16,078,913 (end 2023: 16,078,901) ordinary shares and 30,755 (2023: 17,041) RSUs. The table opposite provides an overview, detailing:

- The number of ordinary shares held by each individual member of the Board of Directors on 31 December of the relevant year
- The number of outstanding RSUs held by each individual Member of the Board of Directors on 31 December of the relevant year

Approved maximum total amount of remuneration and actual/allocated remuneration of the Board of Directors from 2024 AGM until 2025 AGM – Audited

<i>x thousand</i>	Approved maximum remuneration excluding social security contributions		Actual/allocated remuneration excluding social security contributions	
	€	CHF	€	CHF
Total Remuneration Assumed Fx rate	3,652	3,579	3,303	3,237
Total Remuneration Average Fx rate	3,757	3,579	3,398	3,237

Shareholdings of the Board of Directors – Audited

	Number of Shares held on 31 December 2024	Number of Shares held on 31 December 2023	Number of RSUs held on 31 December 2024	Number of RSUs held on 31 December 2023
Thomas Leysen (Chairman)	20,035	20,035	8,648	4,791
Patrick Firmenich (Vice-Chair)	4,548,829	4,548,829	2,649	1,468
Sze Cotte-Tan	-	-	2,162	1,198
Antoine Firmenich	3,519,236	3,519,236	2,162	1,198
Carla Mahieu	-	-	2,162	1,198
Erica Mann	-	-	2,162	1,198
Frits van Paasschen	-	-	2,162	1,198
André Pometta	7,985,012	7,985,013	2,162	1,198
John Ramsay	1,801	1,788	2,162	1,198
Richard Ridinger	4,000	4,000	2,162	1,198
Corien Wortmann	-	-	2,162	1,198
Total	16,078,913	16,078,901	30,755	17,041



Compensation of the Executive Committee

Compensation set-up

Compensation philosophy

Our remuneration principles are in line with how the top executives of listed companies in the EU and Switzerland are rewarded. Our approach focuses on creating long-term stakeholder value, and we align compensation not only with financial targets but also with sustainability goals and ambitions. The key elements of our compensation philosophy and implementation guidelines are set out in the overview opposite.

Benchmarking

Compensation for the Executive Committee is benchmarked against the market to ensure that we attract and retain talented leaders and remain competitive. This includes a quantitative review of remuneration levels as well as a qualitative review of best practices and developments regarding remuneration in the public domain. A labor market peer group (see table opposite) has been defined. The peer group includes manufacturing companies headquartered in Europe (a mix of Switzerland, the Netherlands, and others); US companies are excluded. Acknowledging recommendations by shareholder representatives, selected peer group companies are comparable in size and complexity. Indicators considered in this respect are market capitalization, revenue, and number of employees.

Key elements of our compensation philosophy and implementation guidelines

Reward long-term stakeholder value

Remuneration strategies and outcomes are tied to the purpose of the company and reflect the long-term value created for its varied stakeholders.

Simplicity and transparency

Straightforward design and transparent communication to all stakeholders are essential.

Fair and competitive rewards

Reward opportunities reflect competitive practices of peer companies, guaranteeing pay equity and competitiveness of total remuneration, securing pay for performance, and rewarding superior, sustainable value creation.

Alignment with applicable governance practices

Our rewards methodology reflects appropriate best practice and corporate governance standards.

Aligned with Group strategy and sustainability ambitions

Group performance and leadership in sustainability commitments are reflected in the design of rewards.

Individual choice and diversity

We strive to enable our people to make personal choices regarding benefit offerings in line with their needs throughout different phases of life.

Labor market peer group

Company	Country
ABB	Switzerland
AkzoNobel	Netherlands
Alcon	Switzerland
ASML Holding	Netherlands
Beiersdorf	Germany
Chocoladefabriken Lindt & Sprüngli	Switzerland
Danone	France
Givaudan	Switzerland
Heineken	Netherlands
Henkel	Germany
Kerry Group	Ireland
Koninklijke Philips	Netherlands
Lonza Group	Switzerland
Merck KGA	Germany
Reckitt	United Kingdom
Sika	Switzerland



Positioning

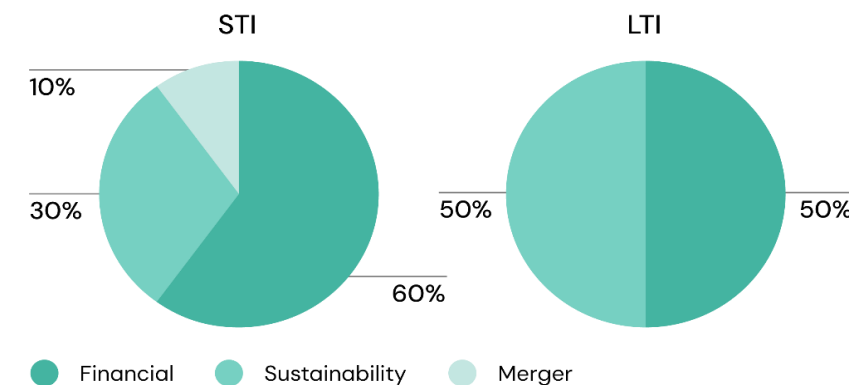
The remuneration structure was established in 2023, reflecting the position of dsm-firmenich in the selected peer group.

Total Direct Compensation opportunity for the CEO has been positioned around the median of the peer group. There is a strong focus on long-term value creation in the pay-mix design: the maximum payout can only be achieved by delivering exceptional performance.

This approach also applies to the other Executive Committee Members and serves as the remuneration reference for existing and future Executive Committee appointments, considering the scope and responsibilities of the role. Total remuneration for the individual Executive Committee Members is around the median of the peer group.

Compensation structure: Executive Committee at a glance

Base salary	Pension & other benefits	Short-Term Incentive	Long-Term Incentive	Shareholding obligation
Purpose and link to strategy				
Fixed pay considering scope of the role, competencies and skill set	Securing health and well-being, risk protection, and post-employment income	Incentive aligning short-term business objectives/drivers with strategic company objectives. Driving pay for performance	Focus on long-term value creation, ensuring that business decisions are in the long-term interests of all stakeholders	Aligning the reward of Executives with the interests of stakeholders
Vehicle/delivery				
Cash	Subject to plan rules (cash settled)	Cash	Performance Share Units (<i>PSUs</i>); three-year vesting period subject to performance indicators	Executive Committee Members obliged to hold company shares
Timing				
Monthly	Subject to plan rules	Accrual in respective financial year. Pay-out in April of the consecutive year	Performance and vesting period: three consecutive financial years, starting with the year of grant	Five years to meet the obligation
Opportunity				
Considering responsibilities of the role, market competitiveness, internal equity and competences	Broadly aligned with the wider workforce (in country of employment) and considering market practice	Target level (in % Annual Base Salary): - CEO: 100% - Other: 85% or 100% Minimum pay-out is 0%, maximum pay-out is capped at 200% of target. Threshold: No STI pay-out if actual Adjusted EBITDA is less than 75% of budgeted Adjusted EBITDA	Target level (in % Annual Base Salary): - CEO: 200% - Other: 120% or 100% Maximum vesting capped at 150% or 200% of target	In % Annual Base Salary - CEO: 300% - Other: 100%
Performance measures				
Changes to be based on changes in responsibilities, performance, contribution, market developments, and benchmarking		Targets are set by the Board of Directors and for 2024 on financial and sustainability objectives as well as KPIs related to the merger. Their respective weighting is as follows:		Exposure to dsm-firmenich share price



Pay-mix

The direct compensation of the Executive Committee Members is approved by the Board of Directors. It comprises:

- Total Direct Compensation (base salary, Short-Term Incentive, Long-Term Incentive)
- Benefits, including pension benefits and risk insurances, company car, and social security contributions

Total Direct Compensation is strongly linked to the short- and long-term success of the company. The incentive plans are designed to link award opportunities to business performance.

For the CEO, 75% of the at-target Total Direct Compensation is linked to incentive programs. Outstanding business performance and achievements may result in pay-out or vesting

above target, while performance that remains below expectation results in a pay-out below target or a (partial) forfeiture of LTI grants. Each of the components is further explained hereafter. The graph below provides an overview of the applicable pay-mix.

Base salary

With reference to the Total Direct Compensation benchmark, base salary is set acknowledging the scope of responsibilities, competencies and skill set, and competitive market data. It is the foundation for determining the Short- and Long-Term incentive opportunity.

Base salary is reviewed annually and may be adjusted considering the responsibilities in the role, performance, and contribution of the

Executive Committee Members as well as market movements.

Pension and other benefits

The CEO participates in an international pension plan, while the Members of the Executive Committee participate in the local pension plan of the country in which their employment resides. The benefits to be accrued under the respective (international) plans are similar to the plans applicable to the workforce in the respective countries (the international plan mirrors the Swiss pension scheme).

Typical other benefits include a company car and risk insurances in the event of death in service or full disability. In specific situations, temporary housing or typical expatriation benefits may be foreseen.

Short-Term Incentive

The Short-Term Incentive (STI) scheme is designed to reward short-term (operational) performance within the long-term objective of creating sustainable value and growth, considering the interests of all stakeholders. For at-target performance, the annual STI opportunity amounts to 85% or 100% of annual base salary. The maximum pay-out is capped at 200% of target.

For each goal, a target will be set corresponding to a 100% pay-out. In addition, a floor defines the level of performance below which no pay-out will be made, while the cap represents the level of performance at which the maximum pay-out is 200% of the target opportunity. Pay-

out levels between floor, target, and the cap are calculated by linear extrapolation.

In determining the target achievement, the Board of Directors shall assess whether the result is fair given business circumstances and may at their sole discretion adjust achievement accordingly. The STI is subject to an overall threshold. If the actual Adjusted EBITDA over the performance year does not reach 75% of the budgeted Adjusted EBITDA of the year, no STI will be awarded at all.

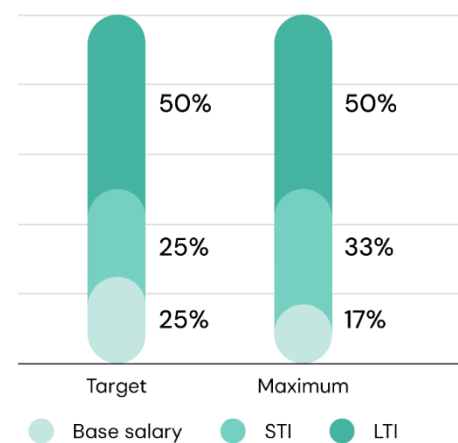
Long-Term Incentive

The Long-Term Incentive (LTI) is designed to ensure long-term value creation and alignment with the interests of all stakeholders and supports the retention of talented leaders.

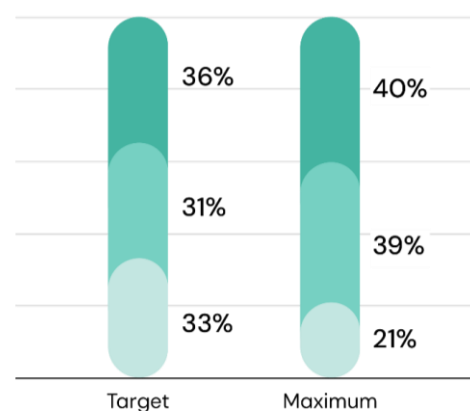
The LTI scheme is a rolling cliff plan covering a three-year performance period. Any grant is subject to goals set by the Board of Directors. For each goal, a target will be set corresponding to the level of performance that will result in an at-target vesting (i.e., 100% achievement of the target). In addition, a floor defines the level of performance below which no vesting will take place, while the cap represents the level of performance at which the maximum vesting is earned. Achievement between floor, target, and the maximum is calculated by linear extrapolation. Final assessment of target achievement is at the sole discretion of the Board of Directors.

The at-target grant level for the CEO represents 200% of base salary; maximum vesting is capped at 150% of target. For other Executive Committee Members, the at-target grant is set at 120% or 100% of base salary, with maximum

Pay-mix of CEO at target and maximum



Average pay-mix of other Members of the Executive Committee at target and maximum



vesting capped at 150% or 200% of target respectively.

Main plan features:

- Grant of Performance Share Units (PSUs), i.e., the right to receive – upon vesting – one ordinary dsm-firmenich share for each PSU, provided the vesting criteria are met
- In specific situations, also the grant of Restricted Share Units (RSUs) is possible
- Vesting is subject to continued employment and the achievement of the performance goals set for the respective grant
- Vesting and holding period: three years starting from the grant date
- Performance period: three financial years starting on 1 January of the year of grant
- The number of share units to be granted is determined by the base salary at the grant date and the average share price over the reference period to be set by the Board of Directors
- At vesting, Grantees may elect a sell-to-cover in order to settle the withholding of social security contributions and withholding of taxes due at the vesting date

Share ownership guidance

To align the interests of the Executive Committee Members even further with those of our stakeholders, the Members of the Executive Committee are required to hold a minimum multiple of their annual base salary in dsm-firmenich ordinary shares equivalent to:

- CEO: three times annual base salary
- Other Members: one annual base salary

The required value must be accrued within a five-year period. Only shares in the form of fully vested shares obtained upon the vesting of share units granted under a Company program or shares privately acquired on the open market are considered.

Goal setting

A broader set of key performance indicators is in place for dsm-firmenich, some of which feature in our incentive programs. This relates to targets that reflect our financial performance and sustainability goals, since *bringing progress to life* goes hand in hand with profitable growth. The design of our Short- and Long-Term Incentive plans emphasizes the importance of building long-term growth opportunities. Our goals underpin our commitment to contribute to a better world, while at the same time generating profitable growth in line with our key strategic goals.

Concerning our incentive programs, the Board of Directors will set goals, their weight, and targets (i.e., the metric to be achieved) for each performance year or equity grant. The weighting shall reflect the importance of both financial and sustainability aspirations. In doing so, the Board of Directors may respond in an agile way to business needs and/or strategy adjustments in a changing environment. In doing this, the Board of Directors shall:

- Derive goals from the company strategy
- Focus on objectives instrumental to achieving long-term value creation
- Consider historical performance, business outlook and circumstances, and priorities
- Take into account stakeholders' expectations

- Ensure that targets are stretching, in order to drive competitive advantage while discouraging excessive risk-taking

No individual goals are included.

Following the end of an applicable performance period, the Board of Directors will compare the actual performance with the targets that were set and will assess whether the result is considered fair given (business) circumstances and may adjust, at their sole discretion, achievement accordingly. Within the limits of business-sensitive information, dsm-firmenich will give stakeholders insight into target-setting and achievement.

Employment terms and conditions

All employment agreements of the Members of the Executive Committee include a clause prohibiting (changes in) pay to be executed if such (change in) remuneration is not included in the maximum amount of remuneration approved by the General Meeting.

Members of the Executive Committee have an employment agreement for an indefinite period of time and are subject to a notice period of six or 12 months. During this period (unless there has been a termination for cause), entitlement to base salary and STI continues. Unvested Long-Term incentives grants are forfeited on the effective date of a resignation or termination for cause. In other cases of a termination of employment, unvested LTI grants will vest on a pro rata basis on the effective date of such termination.

In accordance with Swiss law, no severance payments or change-in-control provisions are

agreed or paid. The employment arrangements of the CEO and the Members of the Executive Committee include non-compete as well as non-solicitation clauses.

Non-compete provisions will be activated on a case-by-case basis and are in line with the Swiss Code of Obligations and shall not exceed a period of 12 months. Indemnities in view of a non-compete will consider base salary and benefits only (over the term the non-compete applies). The Board of Directors may, at its discretion, recover variable remuneration awarded on the basis of incorrect data, provided that such recovery is required by law and/or will result in the re-statement of annual accounts. This right of recovery shall expire three years from the date of the adoption by the General Meeting of the annual accounts in which the (last instalment of the) applicable variable remuneration has been accounted for.



Compensation of the Executive Committee in 2024

Composition of the Executive Committee

In 2024, no changes in the composition of the Executive Committee occurred.

Base salary

Base salaries were slightly adjusted in line with observed market movements. On an annual basis, the CEO’s base salary was, with effect from 1 April 2024, adjusted to CHF 1,383,750. This represents an increase of 2.5% compared to 2023 (CHF 1,350,000).

Pension and other benefits

The total contribution to the pension plan for the CEO amounted to €192,086 (CHF Value: 180,791). For the Members of the Executive Committee, the amount is €1,189,469 (CHF Value: 1,119,528). The spend on other benefits, such as a company car and risk insurances in the event of death in service or full disability, as well as housing and other benefits associated with international assignments, amounted to €5,379,749 (CHF Value: 5,063,420).

Short-Term Incentive (STI)

On an annual basis, the at-target STI opportunity is set at 100% of base salary for the CEO. The at-target STI for other Members of the Executive Committee is set at 85% or 100% of base salary on an annual basis. The maximum pay-out is capped at 200% of the at-target opportunity. Goals have been defined by the Board of Directors; for each goal (overview opposite), a target and pay-out curve are defined:

- If the defined target is achieved, the pay-out is equal to the at-target percentage times base salary times the weight assigned to the respective goal
- A minimum floor is set for each goal; an achievement below this threshold results in no pay-out
- Over-performance results in a pay-out exceeding 100%, where the maximum achievement is capped at 200% of the ‘at-target’ weighting of the respective goal
- Between floor and target and between target and cap, a linear extrapolation determines the achievement and pay-out

In case of a ‘Safety-fatality’, the Safety target will not result in a pay-out. If the actual Adjusted EBITDA over the performance year does not reach 75% of the budgeted Adjusted EBITDA of the year, no STI will be awarded at all.

We have a focus on (organic) growth based on our scientific backbone and innovations. Sales growth is a yard stick to measure progress in this respect. Strong EBITDA performance and cash flow ensure profitability and liquidity to enhance innovations and to explore new opportunities. Our close to 30,000 talented

Overview of 2024 STI goals

Goal type	Goal	Weight	Definition
Financial goals	Adjusted EBITDA (constant currency)	30%	The IFRS metric operating profit plus depreciation, amortization, and impairments, adjusted for material items of profit or loss, as defined under ‘APM adjustments’.
	Adjusted gross operating free cash flow	15%	Adjusted EBITDA, adjusted for intrinsic changes in the working capital, minus capital expenditures. This metric is based on continuing operations
	Organic sales growth	15%	Sales growth, excluding the impact of acquisitions, divestments, and currency changes
Merger synergy	Merger synergy performance	10%	Progress made on delivery of G&A savings Note: Cost synergies are also included in short-term financial goals
Sustainability goals	Safety	15%	Total Recordable Incidents Rate: (i) including supervised and non-supervised contractors and (ii) excluding health and security incidents
	Employee Engagement	15%	Employee engagement: Degree to which employees are passionate about their work and find it meaningful

employees are the backbone of our success. Their well-being in the organization is vital to realize our objectives, making safety and engagement of our workforce important parameters.

STI achievement

Since the merger we established ourselves as an innovation-focused consumer company, leveraging our unique portfolio and capabilities to further strengthen our position as a global leader in nutrition, health, and beauty. We delivered on our commitments for 2024. We redefined our strategic course with the announcement of the separation of Animal Nutrition & Health and the tuning of our portfolio which is well-progressed with the sales of marine lipids, yeast extracts, and our minority stake in Robertet S.A.

Our business results significantly improved in 2024. Sales increased and surpassed the target set for the year. This growth, supported by the delivery of merger synergies and the vitamin transformation program, resulted in an adjusted EBITDA (at constant currency) exceeding the target. Thanks to strong cash discipline and carefully managed inventories, we clearly surpassed our cash flow target, with the pay-out capped at 200%. Throughout 2024, we significantly improved our safety performance, achieving a Total Recordable Incident (TRI) rate of 0.24, placing us among the peer industry leaders in safety. The General & Administrative (G&A) savings related to the merger met the target set. The trust and commitment of our employees are cornerstones of our company’s success. Despite the uncertainties that a merger and the announced business separation



may bring, our workforce's engagement remained nearly on par (79 versus 80%) and within the defined target range. Overall, the 2024 Short-Term Incentive (STI) resulted in an achievement of 175% of target (see table opposite).

Long-Term incentive (LTI)

The 2024 grant was implemented on 28 March 2024. The performance period starts on 1 January 2024 and ends on 31 December 2026. The vesting is set for 28 March 2027. PSUs have been granted to the Members of the Executive Committee, subject to the goals (as included in the overview on the next page). On an annual basis, the at-target LTI opportunity for the CEO is set at 200% of base salary (vesting is capped at 150% of the number of PSUs granted at-target). For other Members of the Executive Committee, the at-target grant is set at 120% of base salary (vesting is capped at 150% of the number of PSUs granted at-target) or at 100% of base salary (vesting is capped at 200% of the number of PSUs granted at-target). The 2024 grant is implemented by dividing the at-target grant value (% of base salary) by the average opening price of the share on the Amsterdam stock exchange over the reference period (i.e., €91.19). The table opposite provides an overview of the number of share units granted, the face value of such grant (opening price on the date of grant) as well as the fair value calculated at grant date (acc. to IFRS rules).

2024 Short-Term Incentive achievement

Goal	Weight	Target	Actual	Achievement	Pay-out in % of base salary
Adjusted EBITDA at constant currency ¹	30%	€1,950m	€2,168m	200%	60.0%
Adjusted gross operating free cash flow	15%	€1,200m	€1,552m	200%	30.0%
Organic sales growth	15%	3%	6%	200%	30.0%
Merger synergy performance	10%	€35m	€35m	100%	10.0%
Safety (TRI)	15%	0.29	0.24	200%	30.0%
Employee engagement	15%	75-80%	79%	100%	15.0%
Total 2024	100%				175.0%
Total 2023²	100%				80.8%

1. Adjusted EBITDA of €2.118 million, considering a foreign exchange impact of €50 million.

2. For 2023, this concerns the period from 18 April 2023 (inception of DSM-Firmenich AG) until 31 December 2023.

STI accrued in 2024 (pay-out 2025) – Audited

	Year ¹	€	CHF Value
CEO Dimitri de Vreeze	2024	2,526,299	2,377,753
	2023	841,875	779,576
Total Executive Committee excl. CEO	2024	8,576,309	8,072,021
	2023	2,289,292	2,119,884
Former ExCo members ²	2024	590,427	555,710
	2023	841,875	779,576
Total Executive Committee	2024	11,693,035	11,005,484
	2023	3,973,042	3,679,036

1. For 2023, this concerns the period from 18 April 2023 (inception of DSM-Firmenich AG) until 31 December 2023.

2. Amount former Board Member paid in 2024.

Overview of 2024 LTI grant – Audited

	Year ¹	Number of PSUs granted	Face value		Fair value	
			€	CHF Value	€	CHF Value
CEO Dimitri de Vreeze	2024	29,609	3,148,029	2,962,925	2,910,565	2,739,424
	2023	27,727	2,795,991	2,589,088	2,708,096	2,507,697
Total Executive Committee excl. CEO	2024	60,677	6,451,179	6,071,849	5,964,549	5,613,834
	2023	49,428	4,984,320	4,615,480	4,827,633	4,470,388
Former ExCo members	2024	-	-	-	-	-
	2023	10,783	1,087,358	1,006,894	1,053,176	975,241
Total Executive Committee	2024	90,286	9,599,208	9,034,774	8,875,114	8,353,258
	2023	87,938	8,867,669	8,211,462	8,588,905	7,953,326

1. Concerns annual grant in 2023 and 2024.



Overview of goals and targets 2024 LTI grant

Goals (overview opposite) are set by the Board of Directors. Combining the essential, the desirable, and the sustainable to *bring progress to life* is translated into our LTI targets. Total Shareholder Return is an indicator how we perform against the business segments in which we operate. Strong ROCE performance drives our investment and growth initiatives. Sustainability is a business driver and core responsibility, determining our license to operate. Reducing our own and our customers' greenhouse gas emissions is one of the areas in which we can make a difference. We empower our people to thrive in the business. Improving on Diversity and Inclusion fosters new perspectives enabling us to respond more quickly and flexibly to global trends and enhances (product) innovations while attracting and retaining the best talent.

For each goal, a pay-out curve is defined:

- If the defined target is achieved, the vesting shall be equal to the number of granted PSUs at-target times the weight assigned to the respective goal
- A minimum floor is set for each goal; an achievement below this threshold results in no vesting related to the relevant goal
- Over-performance results in a vesting exceeding the at-target level, where the maximum achievement is capped at 150% or 200% of the at-target weighting of the respective goal
- Between floor and target and cap, a linear extrapolation determines the achievement and vesting

Goals of the 2024 LTI-grant

Goal Type	Goal	Weight	Definition
Financial goals	Total Shareholder Return (TSR)	25%	Sum of capital gain and dividends paid, representing the total return to shareholders; the relative ranking (within the peer group) reflects the overall performance relative to our peers
	Core Return on Capital Employed (CROCE)	25%	Operating profit as percentage of weighted average capital employed adjusted for depreciation and amortization of merger-related accounting adjustments and Alternative performance measures (APM) adjustments
Sustainability goals	Absolute greenhouse gas reduction	25%	Absolute greenhouse gas reduction of Scope 1 & 2 as well as Scope 3 emissions aligned with the new SBTi-validated target line of dsm-firmenich (17.5% out of 25% weight concerns Scope 1 & 2 emissions; 7.5% out of 25% weight concerns Scope 3 emissions).
	Diversity & Inclusion	25%	% of gender and ethnic diversity of dsm-firmenich global management team (the weight of 25% is equally divided over the two sub targets)

Targets and vesting scheme of the 2024 LTI-grant

Vesting formula: TSR

Compared to the TSR peer group, if dsm-firmenich is

- Below median	no vesting
- @ median	Floor (80% vesting)
- @ 60 th percentile	Target (100% vesting)
- ≥80 th percentile	Cap (200% vesting)

Vesting formula: Core return on Capital Employed

If core return of Capital Employed

- Below 8%	No vesting
- ≥8%	Floor (50% vesting)
- 9%	Target (100% vesting)
- ≥10%	Cap (200% vesting)

Vesting formula: reduction of greenhouse gas emissions

If reduction of greenhouse gas emissions

Scope 1 & 2	Scope 3	
- Below 15.4%	- Below 9.2%	No vesting
- ≥15.4%	- ≥9.2%	Floor (50% vesting)
- 23.3%	- 13.9%	Target (100% vesting)
- ≥29.2%	- ≥17.4%	Cap (200% vesting)

Vesting formula: Diversity & Inclusion GMT

If female/non-binary ratio and ethnicity ratio at the end of the performance period is

Fem./non-binary	Ethnicity	
- Below 35%	- Below 40%	No vesting
- ≥35%	- ≥40%	Floor (50% vesting)
- 36%	- 41%	Target (100% vesting)
- ≥37%	- ≥42%	Cap (200% vesting)



Total compensation

With reference to the remarks made in the section on [Currency](#), the total remuneration to the Members of the Executive Committee in 2024, excluding social security contributions,

amounts to €35,323,388 (compared to €20,418,000 in 2023), as included in the tables below. No loans were provided to Members of the Executive Committee, and no payments have been made by any subsidiary of the Company.

Neither DSM-Firmenich AG nor any of its subsidiaries granted loans/credit facilities or made payments (directly or indirectly) to persons closely connected to the Members of the Executive Committee (*Audited*).

Total remuneration of the Executive Committee 2024 – Audited

In €	Year ¹	Base salary	Pension contribution ²	Other benefits ³	Total Fixed Remuneration	Short-Term Incentive (STI) ⁴	Number of PSUs granted ⁵	Face value at grant ⁶	Total Variable Remuneration	Remuneration excl. social security contribution	Social security contribution ⁷	Total Remuneration
Dimitri de Vreeze, CEO	2024	1,443,599	192,086	163,412	1,799,097	2,526,299	29,609	3,148,029	5,674,328	7,473,425	16,747	7,490,172
	2023	976,321	127,573	141,210	1,245,104	841,875	27,727	2,795,991	3,637,866	4,882,970	10,613	4,893,583
ExCo members, excl. CEO	2024	5,329,305	1,113,906	4,905,344	11,348,555	8,576,309	60,677	6,451,179	15,027,488	26,376,043	1,243,797	27,619,840
	2023	3,267,178	543,720	899,076	4,709,974	2,289,292	49,428	4,984,320	7,273,612	11,983,586	347,816	12,331,402
Former ExCo members ⁸	2024	496,937	75,563	310,993	883,493	590,427	-	-	590,427	1,473,920	262,820	1,736,740
	2023	1,153,693	126,687	341,831	1,622,211	841,875	10,783	1,087,358	1,929,233	3,551,444	111,657	3,663,101
Total ExCo	2024	7,269,841	1,381,555	5,379,749	14,031,145	11,693,035	90,286	9,599,208	21,292,243	35,323,388	1,523,364	36,846,752
	2023	5,397,192	797,980	1,382,117	7,577,289	3,973,042	87,938	8,867,669	12,840,711	20,418,000	470,086	20,888,086

Total remuneration of the Executive Committee 2024 – Audited

CHF Value	Year ¹	Base salary	Pension contribution ²	Other benefits ³	Total Fixed Remuneration	Short-Term Incentive (STI) ⁴	Number of PSUs granted ⁵	Face value at grant ⁶	Total Variable Remuneration	Remuneration excl. social security contribution	Social security contribution ⁷	Total Remuneration
Dimitri de Vreeze, CEO	2024	1,358,715	180,791	153,803	1,693,309	2,377,753	29,609	2,962,925	5,340,678	7,033,987	15,762	7,049,749
	2023	904,073	118,133	130,760	1,152,966	779,576	27,727	2,589,088	3,368,664	4,521,630	9,828	4,531,458
ExCo members, excl. CEO	2024	5,015,942	1,048,408	4,616,910	10,681,260	8,072,021	60,677	6,071,850	14,143,871	24,825,131	1,170,662	25,995,793
	2023	3,025,407	503,485	832,544	4,361,436	2,119,884	49,428	4,615,480	6,735,364	11,096,800	322,078	11,418,878
Former ExCo members ⁸	2024	467,717	71,120	292,707	831,544	555,710	-	-	555,710	1,387,254	247,366	1,634,620
	2023	1,068,320	117,312	316,536	1,502,168	779,576	10,783	1,006,894	1,786,470	3,288,638	103,394	3,392,032
Total ExCo	2024	6,842,374	1,300,319	5,063,420	13,206,113	11,005,484	90,286	9,034,775	20,040,259	33,246,372	1,433,790	34,680,162
	2023	4,997,800	738,930	1,279,840	7,016,570	3,679,036	87,938	8,211,462	11,890,498	18,907,068	435,300	19,342,368

1. For 2023, this concerns the period from 18 April 2023 (inception of DSM-Firmenich AG) until 31 December 2023.
 2. Employer contributions to pension plans.
 3. Health and welfare benefits, company car and other benefits, incl. international assignment benefits if applicable.
 4. Short-Term Incentive (STI); annual cash settled incentive, accrued in reporting period based on performance in the reporting period, payable in 2025.
 5. Performance Share Units granted 28 March 2024, to vest 28 March 2027.
 6. Face value at grant – number of PSUs granted times opening price at grant date. Face value of the 2023 grant: €8,558,905 (CHF Value: 7,953,326). For the total number of PSUs granted in 2024, the fair value used for accounting purposes in accordance with the International Financial Reporting Standards (IFRS) amounts to €8,875,114 (CHF Value: 8,353,257).
 7. Social security contributions by the Employer based on 2024 remuneration.
 8. Geraldine Matchett stepped down from the Executive Committee with effect from 1 September 2023. Her employment was terminated with effect from 31 May 2024. For 2024 payments made until such termination date are included in the table thereby deducting income awarded to her in other positions. In recognition of the fact that she was subject to a non-compete clause, the company paid her base salary for a period of six months after termination of employment (total amount €754,749 including social security contributions).



Shareholding obligation

In addition to the vested performance shares, Members of the Executive Committee also invested in dsm-firmenich stock. Stocks were bought through private transactions with private funds. The first table opposite provides an overview of the number of shares held at year-end by the Members of the Executive Committee (including Closely Associated Persons). The CEO significantly exceeds the shareholding obligation (300% of base salary). Depending on whether the legacy company had a cash-settled (Firmenich) or equity-settled (DSM) Long-Term Incentive plan, various Members of the Executive Committee exceed the shareholding obligation (100% of base salary).

Compensation voting

The General Meeting on 29 June 2023 approved a maximum total amount of remuneration for the Executive Committee of €37.912 million for 2024. In establishing the amount, the Assumed Fx rate (€1 = CHF1) was applied.

The approved maximum total amount of remuneration includes the fixed base salary, benefits, and the maximum STI that can be achieved. Regarding the LTI, the amount included represents the at-target value of the grant as a percentage of Annual Base Salary. The number of PSUs is calculated considering the average share price over a reference period. Therefore, the approved maximum amount includes an amount to offset an eventual appreciation of the share price on the grant date compared to the reference period.

An amount of €2.6 million is included for other and unforeseen items. This amount concerns, among other things, obligations toward Executive Committee Members following international assignment arrangements agreed by the legacy companies prior to the appointment to the Executive Committee of dsm-firmenich and will otherwise be used to cover unforeseen circumstances such as changes in regulatory requirements.

The approved amount does not include the company-related portion of contributions to social security systems paid in line with applicable laws and regulations in any geography, nor does it include foreign exchange rate fluctuations. Obligations toward Executive Committee Members confirmed by the legacy companies prior to the appointment into the Executive Committee of dsm-firmenich are not included in the approved amount. This includes, but is not limited to, special payments by Royal DSM and Firmenich SA as referred to in the Offering Circular (issued 22 November 2022) or the vesting of Long-Term Incentives granted prior to the Settlement Date (as such term is defined in the Offering Circular).

As the tables opposite demonstrate, the total remuneration excluding social security contributions provided in 2024 to all Members of the Executive Committee amounts to €35.323 million (compared to €20.418 million over 2023) and remains within the approved maximum total amount of remuneration of €39.794 million. Against the Average Fx rate, the total remuneration provided in 2024 amounts to CHF33.653 million (compared to CHF 19.841 million over 2023).

Shareholding Executive Committee – Audited

	Number of Shares held on 31 December 2024	Number of Shares held on 31 December 2023
Dimitri de Vreeze (Chief Executive Officer)	86,933	82,453
Ralf Schmeitz (Chief Financial Officer)	1,893	1,301
Emmanuel Butstraen (President Perfumery & Beauty and Chief Operating Officer)	-	-
Mieke Van de Capelle (Chief Human Resources Officer)	-	-
Philip Eykerman (President Health Nutrition & Care)	77,120	75,073
Ivo Lansbergen (President Animal Nutrition & Health)	5,856	3,895
Patrick Niels (President Taste, Texture & Health)	12,187	10,998
Sarah Reisinger (Chief Science & Research Officer)	-	-
Jane Sinclair (Chief Legal, Regulatory, Risk and Compliance Officer)	-	-
Total	183,989	173,720

Approved maximum total amount of remuneration and actual remuneration of the Executive Committee¹ in 2024 – Audited

	Approved maximum remuneration excluding social security contributions		Actual remuneration excluding social security contributions	
<i>x thousand</i>	€	CHF	€	CHF
Total Remuneration Assumed Fx rate	37,912	37,912	33,653	33,653
Total Remuneration Average Fx rate	39,794	37,912	35,323	33,653

	Approved maximum remuneration excluding social security contributions	Actual remuneration excluding social security contributions
<i>x thousand</i>	€	€
Fixed remuneration & Benefits Average Fx rate	12,763	10,270
Maximum STI accrued over 2024 Average Fx rate	13,692	11,693
LTI (face value at grant date) Average Fx rate	10,610	9,599
Other and unforeseen Average Fx rate	2,729	3,761
Total remuneration Average Fx rate	39,794	35,323

¹ Includes the CEO, the Members of the Executive Committee as of 31 December 2024 and former Members of the Executive Committee.



Other mandates

According to Article 22 of the Articles of Association, the Members of the Board of Directors and the Executive Committee may accept mandates outside dsm-firmenich subject to defined limitations.

A Member of the Board of Directors can hold up to four mandates in listed firms and four in non-listed firms. A Member of the Executive Committee can hold one mandate in listed firms and up to three in non-listed firms. It is noted that a position as Chair in a publicly listed company is equivalent to two mandates. The overview opposite concerns the other mandates with listed or non-listed firms with an economic interest held by the Members of the Board of Directors and the Executive Committee.

Outlook for 2025

At the 2025 Annual General Meeting (AGM), shareholders will be asked to vote on the total maximum amount of remuneration both for the Board of Directors for the period until the 2026 AGM and for the Executive Committee for the financial year 2026. Furthermore, at the 2025 AGM an advisory vote is requested for the 2024 Compensation Report. We will continue to seek dialogue with investors and other stakeholders and will keep monitoring societal trends and market practices.

Overview of other mandates – Audited

Board of Directors

Thomas Leysen

- Umicore (L)¹: Non-Executive Chair of the Supervisory Board
- Mediahuis (N)²: Non-Executive Chair of the Board

Patrick Firmenich

- UBS AG (L): Non-Executive Director
- Hedione SA (N): Non-Executive Director •

Sze Cotte-Tan

- Singapore Institute of Food and Biotechnology, A*STAR Research Entities (N): Executive Director
- Foodplant, a subsidiary of the Singapore Institute of Technology (N): Non-Executive Chair
- Clay Capital (N): Member of the Advisory Committee

Antoine Firmenich

- Aquilus Pdt Ltd (Singapore) (N): Managing Director
- Aquilus Management Ltd (Bermuda) (N): Executive Director
- Alatus Capital (N): Co-Founder & Non-Executive Director
- Hedione SA (N): Non-Executive Director •

Carla Mahieu

- Arcadis (L): Non-Executive Board member
- VodafoneZiggo Group B.V. Netherlands (N): Non-Executive Director
- CVC DIF Capital Markets (N): Non-Executive Director •

Erica Mann³

- Kellanova (L): Non-Executive Director
- ALS Ltd.: Non-Executive Director •

Frits van Paasschen

- Williams Sonoma (L): Non-Executive Director
- Sonder (L): Non-Executive Director
- Amadeus IT Group (L): Non-Executive Director
- CitizenM Hotels (N): Non-Executive Director
- J Crew Group (N): Non-Executive Director

André Pometta

- White Lobster (N): Non-Executive Director
- Noyb SA (+affiliates) (N): Non-Executive Director

John Ramsay

- RHI Magnesita N.V. (L): Non-Executive Director
- Croda International PLC (L): Non-Executive Director (stepping down effective 1 March 2025)
- Babcock International PLC (L): Non-Executive Director

Richard Ridinger

- Brenntag SE (L): Chair of the Supervisory Board
- Recipharm AB (N): Chairman of the Board
- Novo Holdings (N): Member of the Advisory Board

Corien Wortmann

- Aegon N.V. (L): Non-Executive Vice Chair of the Board
- Deloitte Netherlands (N): Member of the Supervisory Board •

Executive Committee

Mieke Van de Capelle

- Spadel (L): Non-Executive Director
- Berlenger Enterprises (N): Board Member •

Philip Eykerman

- Umicore (L): Independent member Supervisory Board •

1. Listed company.

2. Non-listed company.

3. Stepped down as Non-Executive Board member Perrigo Company (L).

• New in 2024.



Report of the Statutory Auditor

To the General Meeting of DSM-Firmenich AG,
Kaiseraugst

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation report of DSM-Firmenich AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables and disclosures marked "audited" on pages 134 to 136, page 142 and pages 144 to 146 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables and disclosures marked "audited" and in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

**Petra Groenland
van der Linden**

Licensed Audit Expert
Auditor in Charge

Carlos Alvarez

Licensed Audit
Expert

Basel, 27 February 2025

Enclosure: Compensation Report



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General information

Basis for preparation

Reporting policy and justification of choices

This is dsm-firmenich's second Integrated Annual Report after the merger between DSM and Firmenich. In it, we report for the calendar year 2024. Our previous Report was the dsm-firmenich Integrated Annual Report 2023, published on 29 February 2024. We publish our Report exclusively in digital format, and the Report is available in an online version and as a PDF.

In the Management Report (consisting of the sections Our Company to Sustainability Statements) we explain our vision and policy with respect to sustainability practices and report on our activities. We are in favor of convergence in reporting standards and frameworks, moving to globally accepted non-financial reporting standards. Currently, we recognize and participate in a number of initiatives that are driving toward that goal.

Mandatory Reporting requirements

The basis for our non-financial reporting is the *Swiss Code of Obligations*. The Sustainability Report, as described in Article 964b of the Code, consists of all the information within the [Sustainability](#) chapter and the [Sustainability Statements](#) chapter. This Report also provides relevant climate-related financial disclosures as required by the *Swiss Ordinance on Climate Disclosures*. This Ordinance is based on the *Recommendations of the Task Force on Climate-related Financial Disclosures report*, version of June 2017, and the annex

Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures, version of October 2021. This Report contains our disclosures on Governance, Strategy, Risk Management, and Metrics and Targets. For information on how we report against the TCFD recommendations, see [Appendix to the Sustainability Statements](#).

Our disclosures in the Sustainability Statements are reported in accordance with the *European Sustainability Reporting Standards* (as set out in *Annex 1 to the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards*) and are subjected to limited assurance. A small number of metrics are subjected to reasonable assurance and are indicated with ^[RA].

We highlight areas of relevance to our company in the [People](#) and [Planet](#) sections. Information from these sections is incorporated by reference where relevant into the Sustainability Statements.

As this is the first year of reporting in accordance with the ESRS in our Annual Report, we include dsm-firmenich-specific metrics based on existing metrics and targets, and we have interpreted the requirements according to our own insights, the FAQs and guidances that are available, and through engagement with peer companies and key industry associations and working groups. As the collective

experience with, and understanding of, ESRS matures, we will update our interpretations and the usage of entity-specific metrics, and address any inherent measurement or evaluation uncertainties.

Voluntary reporting requirements

Our reporting is also based on voluntary non-financial reporting guidelines such as the Global Reporting Initiative (GRI) Standards and the UN Sustainable Development Goals (SDGs). dsm-firmenich has reported with reference to the GRI Standards for the period 1 January 2024 to 31 December 2024.

A detailed overview of how we report according to the GRI Standards indicators, including a reference to relevant sections in this Report, is provided in the [GRI Content Index](#), available separately on [our website](#).

We have also aligned our approach with the SDGs and are familiar with the opportunities and responsibilities the SDGs represent for our business. We embrace all SDGs, but have chosen to highlight those particular goals which most closely align with our business activities, along with our people and operations. In this Report, we include the SDGs in our reporting process, for example by mapping SDG reporting priorities in our value creation model, in the [Our approach to sustainability](#) section, and in the solutions that we highlight.



Selection of topics

The topics covered in this Report were selected on the basis of our materiality analysis, which assessed the relevance and impact of selected topics for both our company and various stakeholders. The sustainability data in this Report are qualitative as well as quantitative; the qualitative information can also contain quantitative elements. The Materiality Matrix and the process by which it is created is described later in this section.

Scope

The sustainability data in this Report cover all entities that belong to the scope of the [Consolidated Financial Statements](#). In the value chain, sustainability data relates primarily to tier 1 suppliers. Unless otherwise explicitly stated, the sustainability data in this Report have not been verified externally.

The time horizons used in the Sustainability chapter are short term (up to three years), medium term (four to ten years) and long term (greater than ten years). The short-term horizon is consistent with that used in our Risk Management process, with a further breakdown of the Risk Management 'long term' horizon to include a medium term. The sustainability time horizons are applied in the respective topical risk assessments. All IROs are in the short to medium term. Climate IROs extend into the long term. The lifetime of our assets is not considered in the definitions of the time horizons due to the variability in our operational footprint.

Environmental data are reported until the moment control of the company is transferred,

and social data until the end of the month in which control of the company is transferred. The date on which control of the company is transferred generally coincides with the date a divestment is closed, and control of the shares is transferred to the new owner.

Environmental methodology

Our progress on the key environmental performance indicators is collected and evaluated twice a year for all sites. The data are based on these sites' own measurements and calculations, which in turn are founded on definitions, methods and procedures established at Group level. The site managers of reporting units are responsible for the quality of the data. Data are collected using measurements and calculations in the production processes, information from external parties (e.g., on waste and external energy), and estimates based on expert knowledge. Reporting units have direct insight into their performance compared to previous years and are required to provide justifications for any deviations above the threshold. For most parameters, the threshold is set at 10%.

The environmental materiality of all our operational sites is also evaluated at company level, based on the data collected by the sites. Each indicator has a specific threshold, and sites exceeding the thresholds on any indicator are included in the Environmental Material Sites list and are closely monitored. In 2024, over 90% of our total Scope 1 & 2 emissions and water withdrawals originate from our ISO 14001 certified sites.

Scope 3 greenhouse gas (GHG) emissions are calculated on the basis of activity data and

emission factors (GHGs emitted per unit of material or activity, usually kg, km or euro, depending on the category). Emission factors are obtained from a variety of sources, including suppliers, in-house Life-Cycle Assessment (LCA) models, and industry databases. Emission factors are chosen that are considered most representative and reliable. Activity data is based on spend, volume, distance, or number of employees, depending on the category. Data is reported on the basis of a 12-month timeframe and is obtained from a number of internal systems.

Our most significant category is category 1: Purchased goods and services. Our other significant categories are the other categories included in our Science Based Targets (SBTs), being categories 3, 4, and 5.

For category 1, the emissions are calculated using data from our ERP systems, with purchased quantities multiplied by one of over 1,000 emission factors approved by our in-house LCA experts. Emission factors are based on primary supplier data or secondary sources such as the Ecolnvent database. Where specific factors are unavailable, emissions are extrapolated based on spend, also for the entities not on SAP. Indirect sourcing emissions are also calculated using a spend-based approach whereby emission factors are allocated to specific indirect sourcing categories.

Emissions for category 3 (Fuel production, purchased energy, and transmission losses) and category 5 (Waste generated in operations) are calculated using data extracted from our environmental reporting system.

Emissions from fuel production, purchased energy, and transmission losses are determined using the average-data method, with quantities multiplied by emission factors developed and approved by our in-house LCA experts. Similarly, operational waste emissions are calculated based on their treatment method, where waste quantities for each method are multiplied by the corresponding emission factor, also developed and approved by our in-house LCA experts.

For category 4 (Upstream transportation and distribution), we apply the calculation methodology for both outbound and inbound transportation and distribution, covering road, marine, rail, and air transport. For outbound transportation, emissions are calculated within a dedicated logistics dashboard, which integrates data directly from SAP entities and freight carriers.

The dashboard multiplies the mass of goods transported by the distance travelled per leg, and then applies the appropriate well-to-wheel emission factor for each transport mode or vehicle. For entities outside of SAP and inbound transportation, emissions are extrapolated based on available data. The year-on-year comparability of the data can be affected by changes in our portfolio as well as by improvements to measurement and recording systems at the various sites.

Social methodology

All employees are in scope for our reporting. Social data for employees are collected per Business Unit and consolidated at corporate level. Metrics on workforce and workforce composition, as well as inflow and outflow, are



reported based on the year-end figures. In the year of our merger, inflow and outflow were measured versus the first full month after the merger. Employee engagement and the Inclusion index are measured via a survey that is conducted on an annual basis. Safety and health metrics are reported on a 12-month rolling average. Divestments are included for the months prior to transfer of control of the company. Occupational health cases and training hours are reported on the basis of the year-end figures. The approaches related to compensation-related metrics are included, together with the reporting of those metrics.

The reach of our nutrition improvement products is calculated based on the value of products sold in the different intervention areas. This is combined with market information on dosage, pricing, and usage to convert the value of products to the number of beneficiaries.

Statement on due diligence

Due diligence is how we identify, take action, and report on progress relating to impacts on the environment and/or on people. This is integrated into our existing processes and governance and is a continually evolving process.

Information on the governance structures responsible for our due diligence can be found in the [Internal engagement on sustainability](#) section. Information on how we implement our due diligence process relating to people can be found in the [Social impact](#), [Our suppliers](#), and [Workers in the value chain](#) sections. Information on our approach relating to environment can be found in the [Physical and transition climate risk](#)

[assessments](#), [Pollution](#), and the [Water and marine resources](#) sections.

Information on how we manage our material impacts, risks and opportunities is included at the start of every topical section further in the Sustainability Statements.

Risk management over sustainability reporting

Material sustainability risks are integrated and managed as part of our company-wide risk management processes. Our company-wide approach to risk management is described in the [Our approach to risk management](#) section.

Material risks are reported twice per year by the Business Units and the Business Partners to the Executive Committee, and, together with the Group Risk Assessment, validated by the Audit & Risk Committee and discussed with the Board of Directors. The top risks are disclosed in the Report. Further to this, a specific project risk assessment was performed on the CSRD reporting process.

The top risks identified were:

- **Data quality:** risk of gaps in sustainability reporting, due to processes & systems not fully aligned, could impact our reputation
- **Project timeline:** due to tight timelines, risk of disclosing incomplete assessments or unchecked data in the annual report

The mitigating actions for these risks are:

- Further aligning the processes and internal controls for sustainability into our CSRD-related activities in 2025

- Further combining sustainability data into one data lake and improving data architecture and granularity
- Implementing training to deepen and broaden CSRD reporting competencies of the team

Current and anticipated financial effects, and critical assumptions

The current and anticipated effects of our sustainability matters have been evaluated and disclosed throughout the Sustainability Statements. However, we do not yet have a complete view of the current and expected financial effects of our sustainability matters other than those explicitly mentioned in our Report. See the preceding section on Risk management over sustainability reporting, as well as the Material impacts, risk and opportunities sections at the start of each topical standard. There are currently no critical climate-related assumptions that have an impact on the Financial Statements.

Judgements and estimates

The inclusion of new metrics has required us to make certain assumptions and estimates in order to enable compliance with the reporting requirements. These assumptions and estimates are made based on our current knowledge and are intended to provide our best insights into the current state. Key assumptions are made in the metric related to the reach of our nutrition improvement products. Judgements are used in the Scope 3 reporting and Substances of concern reporting.

The assumptions used to calculate the reach of our nutrition improvement products relate to

the use of third-party information to estimate the intervention cost per beneficiary in each of the intervention areas. These assumptions are based on average market prices, price points defined by NGO partners or dosage and usage information based on scientific studies. As these intervention areas support different levels of malnutrition and access to nutrition, we assume that beneficiaries are only reached by one type of intervention.

In Scope 3 reporting for Category 1, direct In-house modelled emission factors (EFs) are used where supplier-specific EFs are not available and there is no representative EF from approved industry databases. In-house EFs are based on models developed by our dedicated LCA experts using product and process specific data. These LCA models are developed as per ISO 14040/14044 and our methodology is also externally reviewed.

Substances of (very high) concern (SOC/SVHC) are identified based on product and ingredient composition data included in our two main internal product data systems. This information is also used for, e.g., the creation of product labels and safety datasheets. The quantity of SOC/SVHC is calculated based on this information, with a threshold of 0.1% in the finished product, and the sales volume.

Comparative data is provided for data points that were included in the Integrated Annual Report 2023. In some cases, the definitions for comparative data may differ from the reporting year due to different reporting requirements and will be explicitly mentioned.



Governance

Our disclosures on Governance are incorporated from other sections of the Report. Please see the table opposite.

Topic	Comment and references
Administrative, management and supervisory bodies	<p>Board of Directors As the Board of Directors is the highest executive oversight body, it has the ultimate authority on matters relating to Sustainability, including climate. Furthermore, the Board of Directors has established a Sustainability Committee that is responsible for reviewing sustainability and the sustainability performance of the company. See Board of Directors and Sustainability Committee in Governance & Risk Management for more information on their responsibilities and activities. According to the independence criteria defined in the section on Board of Directors, 73% of the members are independent.</p> <p>Executive Committee By way of delegation of the Board of Directors, the Executive Committee, led by our CEO, is responsible for the management of the company, including pursuing leadership on sustainability, and implementing the sustainability strategy. Among other items, the Executive Committee approved, with the Board of Director’s endorsement, the SBTs that were submitted for validation in early 2024 and were validated later that year by the Science Based Targets initiative (SBTi). See the Executive Committee in Governance & Risk Management for more information on the composition and roles of the Executive Committee.</p> <p>Other sustainability governance Operational responsibility for sustainability lies with the relevant functional Leadership teams. These teams are described in the Stakeholder engagement – Internal engagement on sustainability section. The teams have the relevant topical skills and expertise to take responsibility for the IROs within the topics described in the Sustainability Statements.</p> <p>The Double Materiality Assessment (DMA), which underpins our reporting in line with the ESRS, was reviewed by the Global Sustainability Leadership Team and reviewed and approved by the Sustainability Committee of the Board of Directors. Sustainability is integral to our strategy, so the sustainability matters, including the IROs, described in the Sustainability Statements are considered to be fully addressed in our strategy and are monitored on an as-needed basis by the bodies described above.</p>
Sustainability-related performance measures in incentive schemes	<p>Compensation – Compensation of the Executive Committee</p> <p>Consolidated Financial Statements – Note 27 Share-based compensation</p>
Due diligence	<p>People – Human rights</p> <p>Stakeholder engagement – Supplier engagement</p>
Risk Management	<p>Governance & Risk Management – Our approach to risk management</p>



Strategy

Business Model and value chain

Our business model and value chain can be found in the [Our integrated report and value creation](#) section.

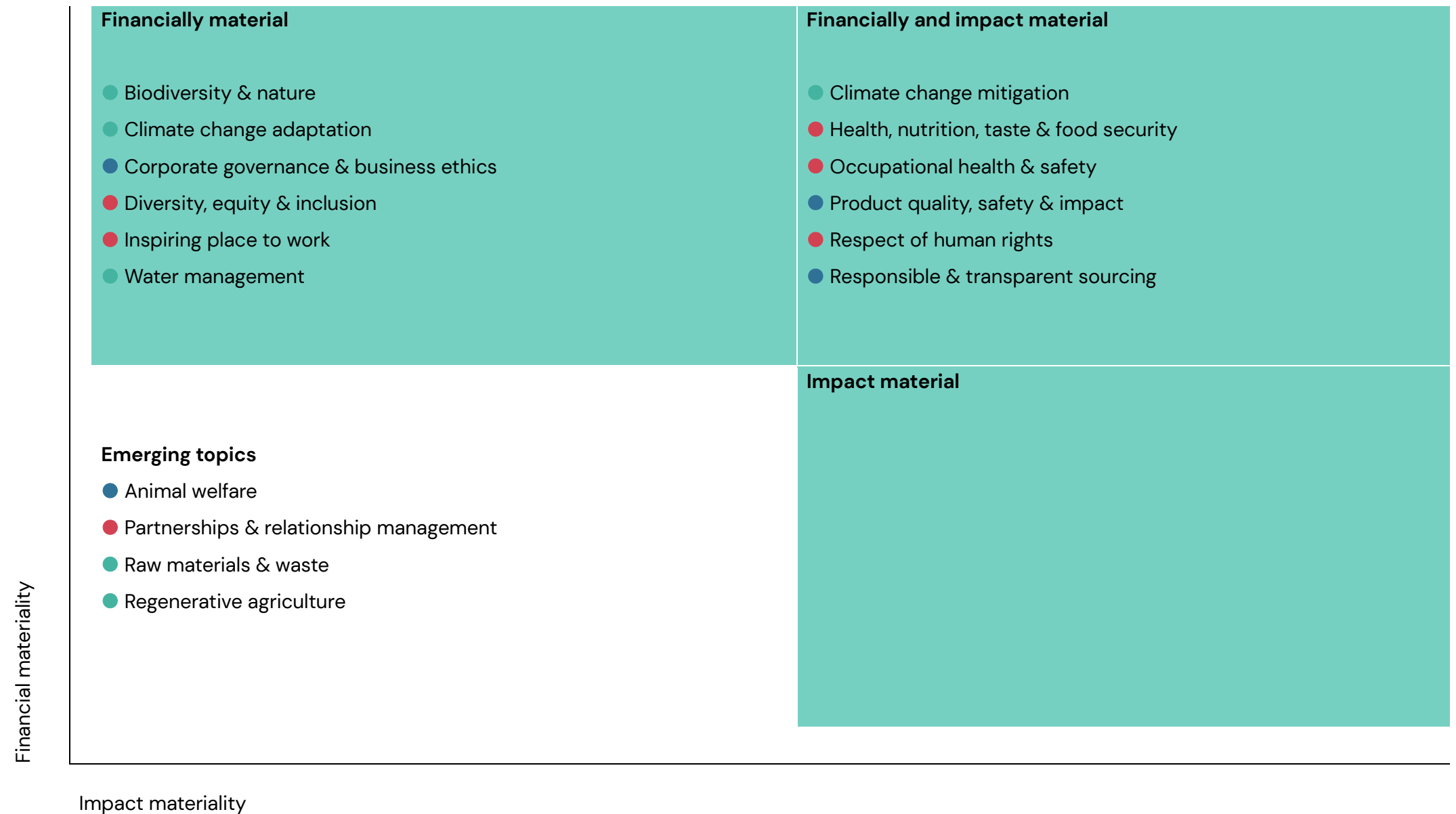
We are developing our approach to assess the sustainability of our portfolio. More information can be found [in Our approach to sustainability – Impact measurement and reporting](#). The aspects of our strategy that relate to sustainability can be found in [Strategy – Our approach to business](#).

Materiality Matrix

The recalibration of the Materiality Matrix resulted in 12 Material topics and four ‘emerging topics.’ The emerging topics are topics that warrant monitoring but are considered not material in the reporting year.

Topics are listed in each of the quadrants alphabetically and are grouped into three areas: Governance and Business, Environment, and Social. No topics were identified as only impact material, as all material topics were expected to be financially relevant.

- Governance and Business
- Environment
- Social



Material topics

The material topics map to the ESRS topics according to the accompanying table.

Stakeholder engagement

Our approach toward the interests and views of our stakeholders is incorporated from the following sections in the People and Stakeholder engagement sections:

- [Nutrition and health](#)
- [Supplier engagement](#)
- [Investor engagement](#)
- [Community engagement](#)
- [Partnerships](#)

The outcomes of our engagement with stakeholders are discussed internally in the relevant functions and teams. In turn, this feeds into our strategy and business approach. Our due diligence is referenced in the [Statement on Due Diligence](#).

ESRS topical standard	Relevant material topics	
E1 Climate change	Material	Climate change mitigation, Climate change adaptation
E2 Pollution	Material	Product quality, safety & impact (only Substances of concern and Substances of very high concern are considered material)
E3 Water and marine resources	Material	Water management (only Water is considered material)
E4 Biodiversity and Ecosystems	Not material	The material driver of biodiversity loss for dsm-firmenich is Climate which is reported under E1
E5 Resource use and circular economy	Not material	
S1 Own workforce	Material	Diversity, equity & inclusion, Inspiring place to work, Occupational health & safety, Respect of human rights
S2 Workers in the value chain	Material	Respect of human rights, Responsible & transparent sourcing (the material part of our value chain relates to our supply chain).
S3 Affected communities	Not material	
S4 Consumers and end-users	Material	Health, nutrition, taste & food security (the material sub-sub-topic of this standard is Access to products and services)
G1 Business conduct	Material	Corporate governance and business ethics, Responsible & transparent sourcing



Impact, risk and opportunity management

Materiality assessment process

The materiality assessment is an annual process. The first step evaluates the business context to identify if material changes have occurred. If none have occurred, the previous conclusions are re-assessed. If material changes have occurred, a full materiality assessment is performed. The assessment of potential and actual positive and negative impacts, risks and opportunities, including applied thresholds, will be based on current guidance documents relating to the assessment, such as the Materiality Assessment Implementation Guidance by EFRAG. An assessment of Business Unit-specific activities is performed before aggregating to the Group level. The assessment is validated by the Global Sustainability Leadership Team (GSLT) and approved by (the Sustainability Committee of) the Board of Directors.

The Materiality assessment process, as well as the due diligence process, are dynamic and are constantly evolving, based on internal and external learnings. We anticipate performing the next full materiality assessment process in 2025, including engagement with various stakeholder groups. We aim to continuously improve our materiality assessment and due diligence processes to better address the evolving needs of our stakeholders. This includes enhancing transparency and accountability in reporting, as well as integrating feedback from stakeholders to refine and strengthen the company's sustainability practices. It is important to note that our materiality assessment process may not have captured every impact, risk and

opportunity that any individual stakeholder (group) may have identified.

2024 Materiality assessment

As there were no material changes in our organizational or operational context, such as a merger or acquisition, changes in the supply chain or global events, the conclusions of the previous materiality analysis were still considered to be relevant, and were used in the preparation of the 2024 Materiality Matrix. As a result, no additional consultations were conducted in 2024.

A re-assessment of the 2023 outcomes was performed based on additional information and new insights. This was through the assessment of seven 'lenses':

- Defining topics
- Benchmark
- Enterprise Risk Management
- Methodologies
- Scale, scope, and irremediability
- Value creation model
- Grouping of topics

The outcome of the seven lenses was aggregated. This aggregated outcome was further reviewed in combination with thresholds focusing on 2023 topics that scored low on impact and financial materiality and assessed as being of low stakeholder importance. The re-assessment resulted in the following changes:

- The topics *Animal welfare, Partnerships & relationship management, Raw materials & waste, and Regenerative agriculture* have been classified as emerging topics. These are topics that warrant monitoring but are

considered not material in the reporting year

- *Innovation, digital & technology* was considered as an enabler, and as such has been integrated into multiple topics
- *Cybersecurity* was considered part of *Corporate governance, business ethics & transparency*
- Multiple topics related to our workforce have been integrated into a single topic: *Inspiring place to work*

The proposed Materiality Matrix was reviewed and approved by the Sustainability Committee.

Content index

An overview of the location of the material disclosure requirements, including those that have been incorporated by reference, can be found in [Appendix to the Sustainability Statements – ESRS content index](#). Disclosure requirements that have been voluntarily complied with to meet the needs of ratings, rankings, and other stakeholders are not included in this index as they are not considered material for dsm-firmenich to report on from an ESRS perspective. The list of datapoints in cross-cutting and topical standards that derive from other EU legislation can be found in [Appendix to the Sustainability Statements – ESRS Datapoints derived from other EU legislation](#).



Environmental information

EU Taxonomy

Regulation

The EU Taxonomy Regulation (EU 2020/852) entered into force on 12 July 2020, establishing criteria for environmentally sustainable economic activities related to six environmental objectives:

- Climate change mitigation (CCM)
- Climate change adaptation (CCA)
- Sustainable use and protection of water and marine resources (WTR)
- Transition to a circular economy (CE)
- Pollution prevention and control (PPC)
- Protection and restoration of biodiversity and ecosystems (BIO)

The Taxonomy Regulation requires companies subject to the obligation to publish non-financial information under the EU Accounting Directive to disclose the proportion of their activities that qualify as environmentally sustainable.

Supplementing the Taxonomy regulation, the first delegated act concerning the technical screening criteria for economic activities with substantial contribution to climate change mitigation and adaptation (the Climate Delegated Act) was formally adopted on 4 June 2021. A delegated act specifying the content and presentation of information to be disclosed by companies in scope of the EU Taxonomy was formally adopted on 6 July 2021. A delegated act amending the Climate Delegated Act (covering the environmental objectives of climate change mitigation and adaptation) and

an Environmental Delegated Act addressing the remaining four environmental objectives were published in 2023.

We welcome the implementation of the EU Taxonomy and have assessed its impact on our company in line with its overall objectives, albeit accepting that parts of the Taxonomy regulation are subject to interpretation, which may lead to variability in its application. Considering the level of complexity as well as the evolving character of the framework, we expect that Taxonomy reporting will develop over time. As such, we shall apply a conservative approach to, and interpretation of, the Taxonomy legislation until we believe it has sufficiently matured. We will periodically revalidate our methodology and our reported KPIs based on the evolution of the regulations and forthcoming guidance from, among others, the European Commission and the European Securities and Markets Authority (ESMA).

Disclosures

Under the Taxonomy regulation, dsm-firmenich is required to report on how much Turnover, Capital Expenditure ('CapEx') and Operating Expenses ('OpEx') are in scope of the Taxonomy Regulation (i.e., 'Taxonomy-eligible activities'), and how much are aligned with the Taxonomy regulation (i.e., 'Taxonomy-aligned activities'). In 2024, the required disclosures apply in full to all six environmental objectives. In this assessment, potential double-counting in the KPIs has been considered. As 2024 is the first year in which dsm-firmenich has to report under the Taxonomy regulation, no comparative information is provided. In addition, as dsm-firmenich does not carry out nuclear and fossil gas related activities, the standard template on the disclosure of these activities is not provided.



EU Taxonomy

Turnover

Total turnover, as defined by the Taxonomy regulation, corresponds to the sales from continuing operations as reported on the basis of the income statements in the Consolidated Financial Statements. In 2024, dsm-firmenich only identified the Pharma business (part of the Business Unit Health, Nutrition & Care) as an eligible activity under the environmental objective pollution prevention and control.

Taxonomy-eligible turnover amounted to €363 million, or 2.8% of total turnover. Given the Pharma business is not considered material to dsm-firmenich's business as well as the lack of evidence for alignment, no alignment was established for the taxonomy-eligible turnover and, hence, we disclose 0% alignment.

Capital Expenditure

Total CapEx is determined based on the 2024 additions to, and acquisitions of, property, plant and equipment, intangible assets, and additions to right-of-use assets. More specifically, it includes the following items that can also be found in the Consolidated Financial Statements:

- Changes in the carrying amount of intangible assets (excluding goodwill) from 'Capital expenditure' and 'Acquisitions' (see also [Note 8 Goodwill and intangible assets](#) to the Consolidated Financial Statements)
- Changes in the carrying amount of items of property, plant & equipment from 'Capital expenditure' and 'Acquisitions' (see also [Note 9 Property, plant and equipment](#) to the Consolidated Financial Statements)
- Changes in the carrying amount of right-of-use assets from 'New leases / terminations' (see [Note 9 Property, plant and equipment](#) to the Consolidated Financial Statements)

In 2024, dsm-firmenich made no acquisitions. While we did not identify any CapEx related to the Pharma business, which was identified as an eligible activity, Taxonomy-eligible CapEx also includes expenditures related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, primarily relating to our office buildings. Taxonomy-eligible CapEx amounted to €209 million, or 20.3% of total CapEx. In 2024, dsm-firmenich did not establish alignment for the eligible CapEx, as the relevant activities are not considered material to dsm-firmenich's total business as well as the lack of evidence for

alignment. Therefore, DSM discloses 0% alignment with respect to the CapEx KPI.

Operational Expenditure

Total OpEx, as defined by the Taxonomy regulation, includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets. Applying this definition to dsm-firmenich, total OpEx consists of maintenance (including building renovations) and direct R&D costs, excluding costs and income related to bad debts, government grants, depreciation and amortization, and own work capitalized. This definition has been applied to the calculation of both numerator and denominator.

Taking into consideration the assessment of the limited contribution of the Pharma business to both the turnover KPI and the CapEx KPI, the eligible OpEx related to this business within dsm-firmenich's business model is considered immaterial from an EU Taxonomy perspective. In addition, no other eligible activities have been identified for the OpEx KPI. As such, the numerator reflecting the eligible OpEx attributable to this business is considered negligible and dsm-firmenich discloses 0% eligible and aligned OpEx.



Turnover

Economic activities (1)	Code (2)	Absolute Turnover (3)	Proportion of Turnover(4)	Substantial contribution criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
				Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (14)	Biodiversity (16)	Minimum safeguards (17)				
			%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	0%			
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	0%	E		
Of which Transitional		0	0%	0%							N	N	N	N	N	N	0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC1.1	363	2.8%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		363	2.8%	0%	0%	0%	2.8%	0%	0%								0%			
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		363	2.8%	0%	0%	0%	2.8%	0%	0%								0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		12,436	97.2%																	
Total (A+B)		12,799	100.0%																	



CapEx

Economic activities (1)	Code (2)	Substantial contribution criteria									DNSH criteria (‘Does Not Significantly Harm’)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
		Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaption (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (14)	Biodiversity (16)	Minimum safeguards (17)				
		%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
Of which Enabling		0	0	0	0	0	0	0	0	N	N	N	N	N	N	N	0	E		
Of which Transitional		0	0	0						N	N	N	N	N	N	N	0		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Installation, maintenance and repair of energy efficient equipment	CCM7.3	8	0.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance	CCM7.5	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Installation, maintenance and repair of renewable energy technologies	CCM7.6	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Acquisition and ownership of buildings	CCM 7.7	199	19.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC1.1	0	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		209	20.3%	20.3%	0%	0%	0%	0%	0%								0%			
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		209	20.3%	20.3%	0%	0%	0%	0%	0%								0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		819	79.7%																	
Total (A+B)		1,028	100.0%																	



OpEx

Economic activities (1)	Code (2)	Substantial contribution criteria								DNSH criteria (‘Does Not Significantly Harm’)							Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	
		Absolute OpEx (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (14)	Biodiversity (16)	Minimum safeguards (17)				
		%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
Of which Enabling		0	0	0	0	0	0	0	0	N	N	N	N	N	N	N	0	E		
Of which Transitional		0	0	0						N	N	N	N	N	N	N	0		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Manufacture of active pharmaceutical ingredients (API) or active substances	PPC1.1	n.a.	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	0%	0%	0%	0%	0%	0%	0%								0%			
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		-	0%	0%	0%	0%	0%	0%	0%								0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		528	100.0%																	
Total (A+B)		528	100.0%																	



Climate change

Material impacts, risks and opportunities

Impacts	Risks and opportunities	Management
<p>↓ Climate change mitigation (own operations and the value chain) – dsm-firmenich generates GHG emissions and is dependent on using fossil (energy) sources as a basis for purchased feed stocks</p>	<p>↓ Climate change mitigation and energy (climate transition risk in own operations) – carbon pricing schemes may directly impact costs, especially in the EU, Switzerland, the UK, and China</p> <p>↑ Climate change mitigation (Value chain) – dsm-firmenich’s products and services can help reduce the carbon footprint of our customers and downstream partners and therefore avoid GHG emissions in the broader value chain, resulting in increased sales and added value for our customers</p> <p>↓ Climate change adaptation (climate physical risk in own operations and the value chain) – acute and chronic physical hazards (e.g., droughts, flooding, extreme heat, and extreme precipitation) – and related changes in biodiversity – may impact our supply chain (supplier locations, natural raw materials) or our own operations. This potentially leads to higher operational costs or business interruption</p>	<ul style="list-style-type: none"> Validated SBTi Scope 1 & 2 target of 42% reduction by 2030, securing 100% purchased renewable electricity by 2025 and net zero by 2045, delivered through out energy efficiency program to reduce Scope 1 & 2 GHG emissions and save energy, plus a move into renewables; also reducing carbon pricing liabilities Validated SBTi Scope 3 target of 25% reduction in Scope 3 emissions by 2030 and a net-zero target by 2045, delivered by working with our suppliers to reduce our Scope 3 upstream emissions, specifically the most material category 3.1 – direct materials Redeveloping our approach to sustainable portfolio steering (SPS) to quantify/improve the positive contributions of our solutions and innovation pipeline, including criteria related to minimizing carbon footprint Innovative solutions, e.g., Bovaer® (avoided emissions), Eversweet® (reduced carbon footprint), Re: New collection of renewable, upcycled ingredients from by-products of the wood and paper industries

↑ positive impact on environment/society or on dsm-firmenich
 ↓ negative impact on environment/society or on dsm-firmenich



Strategy

In 2024, we formalized our Climate Transition Action Plan (CTAP) for the first time to support the delivery of our broader climate agenda but more specifically our climate mitigation commitments. This plan, which will remain a living document and will be continually updated, was based on the guidance document from the CDP, *CDP Technical Note: Reporting on Climate Transition Plans*. It covers:

- Governance
- Strategy, including scenario analysis, financial planning, low-carbon initiatives, and policy engagement
- Risk management
- Metrics and targets, including accounting with verification

The document outlines our strategy to transition to a low-carbon business. The plan focuses on both climate mitigation and climate adaptation, aiming to reduce our carbon footprint and build resilience against climate-related risks. The document highlights our commitment to ambitious climate targets, including achieving net-zero emissions by 2045 and reducing Scope 1 & 2 emissions by 42% and cutting Scope 3 emissions by 25% by 2030 from a 2021 baseline. The plan also emphasizes the importance of collaboration with suppliers and customers to drive decarbonization across the value chain.

Governance is a key aspect, with the Board of Directors and the Executive Committee playing crucial roles in overseeing and implementing the sustainability strategy. The plan also details the company's approach to assessing climate risks and opportunities, using climate scenarios

to evaluate potential impacts on the business. Overall, the CTAP demonstrates our proactive approach to addressing climate change, along with our commitment to sustainability.

The CTAP is anchored in our company purpose of *bringing progress to life* by combining the essential, the desirable, and the sustainable. This means that, for us, sustainability never stands alone or on the sidelines. Instead, it sits at the heart of what we do and who we are. As such, our strategy is aligned with the delivery of our climate commitments, guided by the CTAP, and we do not envision a requirement to fundamentally change our business model or strategy to meet our 1.5°C aligned commitments, nor have we identified assets that are incompatible with a net-zero economy. We do not expect material impacts on our own workforce because of this.

However, the CTAP does not currently address any potential locked-in emissions. Nor do we disclose, or intend to disclose, any activities related to the alignment of economic activities with the EU Taxonomy Regulation, as this is not material to the company. dsm-firmenich is also not excluded from the EU Paris-Aligned Benchmarks. Further information about our CTAP can be found in [Climate – Our net-zero roadmap](#) and on our [website](#).

Impact, risk and opportunity management

Identifying IROs

Scenario analysis

In line with TCFD, we use climate scenarios to assess risks and opportunities for our business, over various time horizons, up to 2050. The

scope is not limited to our own operations but includes the impact along the full value chain. Scenarios are based on IPCC temperature models – the Representative Concentration Pathways (RCP):

- 1.5°C (RCP 2.6)
- 2°C (RCP 4.5)
- 3+°C (RCP 8.5)

For transition to a net-zero world, we enrich the IPCC scenarios with forward-looking business context (e.g., regulations on land and/or water use, eco-footprint of products, shifts in consumption patterns).

Approach to assessing climate risks and opportunities

For physical climate risk assessments, including climate change adaptation, we use desk studies for a high-level screening of physical hazards – for example, heatwaves, drought, flooding, precipitation, high winds or wildfire (RCP 4.5, RCP 8.5). This gives us the major impact factors for our portfolio. We conduct on-site deep dives to obtain a more detailed understanding of actual risks for our assets. These consider the specifics of the site, using local “climate event site scenarios” over short-, medium- and long-term time horizons. See [Climate change adaptation](#) for our progress in 2024.

For transition climate risk assessments, we organize separate sessions, with input from experts and senior management, to assess risks and opportunities for each scenario. The material risks identified through the physical and transition climate risk assessments are integrated and managed as part of our regular

risk management processes, see [Risk management over sustainability reporting](#).

Resilience Analysis

Managing the impact of climate change is integral to our business strategy and not simply about resilience to its effects. We have performed scenario analysis and risk assessments as previously disclosed, but not a resilience analysis attached to our strategy and business model, nor do we intend to do so.

Policies

We have a structured process regarding our policies, standards, and requirements which is detailed in our Group Policy Framework. The following are summaries of our key policy documents relating to Climate change, with the most senior level that is accountable for implementation of the policy referenced.

Climate and Nature Approach

This is an internal document that outlines our sustainability strategy, focusing on integrating climate action, nature conservation, and resource management into our business operations and supply chains. The approach emphasizes accelerating climate action through emission reductions and the use of renewable energy, safeguarding nature and biodiversity by responsible sourcing and ecosystem protection, and conserving resources through water stewardship and waste management. It sets out specific requirements employees must follow, ensuring accountability at all levels of our organization and engaging with external partners to advance environmental stewardship.



The *Climate and Nature Approach* document highlights our commitment to sustainability by embedding climate and nature considerations into all aspects of our operations. This includes setting ambitious targets for reducing emissions, increasing the use of renewable energy, and promoting responsible sourcing practices to prevent deforestation. Additionally, this approach involves active engagement with stakeholders such as governments, NGOs, and local communities, to drive collective action and achieve broader environmental goals. The overarching aim is to create a positive impact on the planet while maintaining transparency and accountability through regular reporting and continuous improvement.

We ensure accountability at the highest level of the organization. The Board of Directors has the highest level of authority on matters related to Sustainability. Our Climate and Nature agenda is reviewed by the Sustainability Committee and the execution of the agenda is delegated to the Executive Committee. This includes strategy, targets, and target delivery, as well as the management of principal risks related to Climate and Nature. The Committees' responsibilities also include reviewing the effectiveness of our risk management and internal control processes. The day-to-day responsibility for our Climate and Nature agenda sits with the Chief Sustainability Officer (CSO), who periodically updates these Committees.

Group Standard Business Continuity Management

The internal Group Standard Business Continuity Management outlines the framework

for ensuring the continuity of our critical processes and activities during disruptions. This Standard emphasizes the importance of resilience and proactive measures to anticipate and prevent disruptions, as well as quick restoration of operations when needed. The document highlights the roles and responsibilities within the Business Continuity Management (BCM) Program, including the involvement of various teams such as the Group Risk Center of Expertise, Global Crisis Response Team, and local BCM teams.

It also underscores the need for regular reviews, audits, and testing exercises to ensure the BCM Program's effectiveness. While the document focuses on business continuity, it indirectly supports climate resilience by promoting risk awareness, horizon scanning, and the implementation of mitigation actions to protect against potential climate-related disruptions. The Group Risk Center of Expertise is responsible for this Standard, together with related Group Guidelines, and defines and supports the implementation of the Program.

In alignment with the BCM Program, our Business Unit /Business Partner leadership team defines priorities, assigns proper resources, and monitors implementation of the Program at their Business Unit /Business Partner. Any incident, if escalated as a 'crisis', is reported to, and managed by, the Global Crisis Response Team (GRT), as described in the Global Crisis Response Plan.

Responsible Sourcing standard

The [Responsible Sourcing standard](#) outlines our commitment to sustainability, emphasizing the importance of responsible sourcing practices

to minimize environmental impact. The document highlights our dedication to fighting climate change by aligning with the Paris Climate Agreement and setting a target to achieve a 25% absolute reduction in Scope 3 GHG emissions by 2030.

Suppliers are required to implement environmental management systems, reduce raw material consumption, and source at least 50% of their electricity from renewable sources by 2025. Additionally, the document stresses the importance of protecting nature and ecosystems, ensuring that commodities are not linked to deforestation or land degradation, and complying with the EU Deforestation Regulation.

Our leadership is committed to responsible sourcing practices and will provide the necessary resources to ensure compliance with our standards. The day-to-day responsibility for responsible sourcing sits with our Chief Procurement Officer (CPO), who provides periodic updates and reports to our Executive Committee.

Group Policy Operations

The Group Policy Operations is a document with broad application but contains elements specific to climate mitigation and adaptation. It emphasizes the importance of sustainability in our operations. It highlights our commitment to minimizing environmental impact by adhering to science-based target directives and other external sustainability requirements. The policy mandates the development and execution of improvement roadmaps to achieve key sustainability and environmental KPIs, ensuring that operations are conducted in a sustainable

manner throughout the product lifecycle. This includes providing and utilizing data and insights on key sustainability and environmental metrics in line with company standards.

Operations is the responsibility of line management and the Business Units, supported by different Requirements, Standards, and Best Practices defined by Group Operational Excellence in collaboration with the Business Units. Group Operational Excellence is the owner of the Group Policy Operations and related Group Standards and supports the Business Units and their sites with Continuous Improvement, Manufacturing Excellence, transformation in Operations, competence development, OT and sustainable operations.

Group Policy Safety, Health & Environment

The [Safety, Health & Environment Policy Statement](#) outlines our commitment to environmental sustainability and climate action. It emphasizes the importance of operating within planetary boundaries and complying with relevant environmental legislation. The policy highlights our dedication to environmental restoration and protection, aiming to reduce the environmental footprint of our activities, products, and services through efficient use of resources and the minimization of emissions and waste. Additionally, it mentions the development of multi-year programs focusing on major environmental topics and sustainable resource management, ensuring continuous improvement of operational systems and standards.

In addition to our policies on Scope 1 & 2 and energy management, included in internal



requirements and standards, we are renewing our environmental and sustainable operations standard. This document provides guidance on how to manage improvement roadmaps and renewable energy at our locations.

SHE is a line management responsibility and is supported at Group and regional level by the SHE organization. The Group sets the strategy in collaboration with the businesses, and the Regional SHE organization provide SHE leadership, expertise with proximity, and support to operationalize SHE across the organization. Business Units and Business Partner functions allocate adequate and qualified resources, with defined roles and responsibilities, at both management and site levels to enable compliance to the policy.

Actions and resources

In addition to the detailed narrative in the [Planet – Climate](#) section, the following further information is provided relating to actions and resources.

Scope 1 & 2

To deliver on our Scope 1 & 2 target of reducing absolute emissions by 42% from a 2021 baseline, we have developed a rigorous and continuous process of identifying and implementing new initiatives to lower our own emissions. This has been extremely successful over the past few years. It builds on two parallel activities:

- The identification of site improvement opportunities (e.g., site deep dives and energy scans)

- Reviewing the deployment of sustainable technologies (e.g., energy dashboarding and monitoring, and heat pumps)

These activities culminate twice a year in a detailed, bottom-up Scope 1 & 2 GHG roadmap. This is organized by site, by Business Unit and Group level, and evaluates the gaps and resources necessary to close those gaps. Implementation is reviewed throughout the year and built into the annual financial planning and capex allocation cycle. To achieve our current results and continue to progress toward our targets, the roadmap consists of two pillars:

- Reducing our energy consumption through energy efficiency measures
- Transitioning toward renewable energy over time, with an initial focus on increasing the amount of purchased renewable electricity

Energy efficiency improvements arise from the development and implementation of multi-year project plans that are continuously improved to generate maximum savings per investment, thereby supporting business resilience. Energy efficiency projects may be wide-ranging in nature: from process optimization, ensuring that basics (such as insulation or heat recovery) are in place, and implementing best-available techniques in support of innovation and the implementation of digital solutions. Examples are given in the accompanying diagram.

The implementation of roadmap projects that reduce GHG emissions is supported by a yearly ring-fenced capex budget. Based on our 2030 Scope 1 & 2 GHG roadmap, we estimate an average investment of €10–25 million per year for the period 2025–2030 to achieve our ambition. Investments are selected in such a

way as to also bring about reductions in opex, and a review process aims at minimizing the investments while maximizing cost savings together with GHG savings.

Renewable electricity

Alongside the summary of our recent success relating to our renewable electricity strategy, the following paragraphs expand on the narrative in [Planet – Toward renewable energy](#).

North America

All claims in North America correspond to long-term virtual power purchase agreements (VPPAs). Besides the already-active wind park, a solar park became operational in 2024, while another is still under construction. The production from the first two agreements and the pre-production Energy Attributes Certificates (EACs) from the asset under construction provided 100% purchased renewable electricity for our sites in the United States and Canada.

Europe

In Europe, we powered our sites with 100% renewable electricity via a combination of

contracts: long-term wind and solar VPPAs in Spain and the Netherlands; pre-production EACs from another solar asset constructed under the VPPA in Spain; hydro-blocks in Switzerland; and several green-tariff agreements.

China

In 2024, we purchased 65% of our electricity in China from national renewable sources while concluding several long-term contracts. We entered long-term renewable electricity contracts for three sites in the province of Shanghai, two sites in the province of Jiangsu, and a site in Jilin province. Additionally, short-term contracts (e.g., Sichuan province) were concluded, as well as a long-term agreement for our site in Inner Mongolia, starting in 2025. Due to challenging policies in some provinces, we purchased fewer unbundled EACs for 2024.

Scope 3 upstream

Detailed in our CTAP are the levers we have identified as part of the Scope 3 emission reduction road mapping process. In addition to the identification of Scope 3 levers (which are detailed in the diagram on the next page) and

Energy efficiency	Operational optimization and transparency	E.g. leakages, energy dashboards
	Basics in place	E.g. insulation, condensate recovery
	State of the art equipment	E.g. energy-efficient chillers, motors, compressors, boilers
	Process optimization	E.g. membranes, fermentation optimization
	Smart electrification	E.g. heat pumps, Mechanical Vapory Recompression



the supporting set of initiatives, our efforts are further supported by a commitment to transparency and accountability. We report on all relevant Scope 3 categories. We have also harmonized and developed a unified company methodology across all categories. We have worked on automating our Scope 3 calculation flows accordingly and have designed and implemented process controls across our material categories to ensure robust reporting. These efforts improve process flow, enhance data quality and accuracy, and qualify the reporting for reasonable assurance.

We participate in consortia such as the Partnership for Carbon Transparency program (PACT) which aim to facilitate and streamline data exchange between suppliers and customers along the full value chain. Moreover, we are actively evaluating various digital tools for environmental data exchange to increase the primary data share in emission reporting.

Avoided emissions

We are also giving increased attention to identifying, developing and strengthening the products that can create impact through avoided emissions. These are emissions that are not part of our own Scope 1, 2 or 3, but can be reduced due to our unique product performance. The ways avoided emissions are realized are driven by the global challenges in the business context in the specific sectors we serve and how our products can best help address them in their market applications.

We use Life-Cycle Assessment (LCA) studies to quantify and substantiate the benefits of avoided emissions enabled by our products when sufficient reliable data is available. We are

an active participant in the WBCSD working group, further shaping eligibility criteria and calculation guidelines of avoided emissions.

Metrics and targets

Our primary targets are our Science Based Targets (SBTs). Our performance against these targets can be found in [Climate – Progress](#). Our targets, and the CTAP which includes the plans on how we intend to deliver them, are designed to cover the full scope of our impact on the climate and the impact of the climate on us. As such, this includes both our own operational control but also far up- and downstream in our value chains.

Our Scope 1 & 2 emissions arise primarily in our manufacturing sites, pre-mix sites, distribution centers, offices, labs and research sites due to activities such as the combustion of fuel (e.g., for process heating) and purchasing electricity. Scope 1 & 2 represents less than 10% of our footprint, and significant effort has gone into reducing our emissions and transitioning from purchased electricity to renewable sources.

Scope 3 emissions, which account for most of our Group GHG footprint, are the result of the emission footprint of our upstream supply chain producing the goods and services we require to manufacture our products. Other sources include in- and out-bound logistics, operational waste, and the emissions that are downstream in the use of our products. Almost all the 15 Scope 3 categories are used in the calculation of our GHG inventory, in accordance with the GHG protocol. Category 13: Downstream leased assets and Category 14: Franchises are deemed immaterial based on the *Guidance for Accounting & Reporting*

Corporate Emissions in the Chemical Sector Value Chain for Scope 3 reporting, as published by the WBCSD. The following four emissions categories are relevant to the near-term SBTi targets (covering 73% of Scope 3 emissions):

- **Category 1:** Purchased goods and services
- **Category 3:** Fuel and energy-related activities
- **Category 4:** Upstream transportation and distribution
- **Category 5:** Waste generated in operations

We take accountability for our role in our industry’s decarbonization and have ambitious targets that have been validated by SBTi. We will continuously monitor our progress to ensure our actions align with our commitment and will engage our suppliers to shoulder their responsibilities and set SBTi targets as well. We are actively working toward primary activity-based data for driving actionable insights. We believe that Scope 3 emission reduction is a challenge that requires cross-collaboration both within and outside the organization and requires business integration. Our teams across multiple functions, and our businesses work collectively, with common goals. As emission reduction opportunities and potential are closely linked with the product strategies of

individual Business Units, our main levers for Scope 3 reduction are clustered around:

- Product/market portfolio optimization and product innovation
- Supplier optimization
- Operations optimization

Carbon credits and carbon pricing

We do not currently implement materially relevant GHG removals or mitigation projects or finance climate change mitigation activities through carbon credits. However, to progress our Nature agenda, we engage in beyond-value-chain mitigation projects with the Livelihoods Funds. These generate a limited amount of carbon credits each year. No carbon credits generated were retired in 2024.

Projects within the company should, at minimum, not increase GHG emissions (among other things, by assessing Best Available Techniques with respect to energy consumption / GHG footprint minimization). In the event this is not (economically) feasible, the absolute emissions growth should be compensated by measures in the same Business Unit (within a three-year timeframe). Given this mechanism, we do not consider a carbon price to be material at this time.

Levers for Scope 3 upstream	Sub-lever
Value chain energy transition	Value chain renewable electricity adoption
	Sectoral decarbonization
	Value chain energy transition (biofuels, etc.)
Sustainable ingredients	Sustainable agriculture / deforestation-free
	Low-carbon raw materials
Product strategy	
Design and innovation	
Supplier engagement	
Process optimization	



Energy

Energy Consumption

	2024		2023	
	TJ	MWh	TJ	MWh
Total (net) energy consumption			19,300	
Total (net) primary energy consumption	17,100			
Total fuel consumption	10,000		10,500	
- Fossil sources	9,600		9,800	
- Coal and coal products	0			
- Crude oil and petroleum products	200			
- Natural gas	8,300			
- Other fossil sources	1,100			
- Renewable sources including biomass	400		700	
Total electricity purchased	4,300	1,206,000	4,700	1,316,000
- Purchased or acquired electricity from fossil sources		61,200		160,500
- Purchased or acquired electricity from renewable sources		1,144,700		1,155,500
Self-generated non-fuel renewable energy with ownership ¹	20	4,500	20	4,600
Total purchased heat	3,400		4,100	
- Purchased or acquired heat, from fossil sources	2,100			
- Purchased or acquired heat from renewable source	1,300			
Total energy exported	900		800	
- Non-renewable + renewable electricity, exported		154,300		146,000
- Total heat exported	300		300	

¹ The 2023 figure was restated due to a calculation error at one site

Energy intensity

	2024	2023	year-on-year change
(MWh / million euros)			
Energy intensity per net revenue ^{1 2}	371.4	435.9	-14.8%

¹ dsm-firmenich's activities are associated with NACE Section C – Manufacturing, which is listed as a high climate impact sector. Total net revenue (Net sales 2024 and 2023) is reported in the [Consolidated Financial Statements](#).

² 2023 intensity is calculated against energy, 2024 intensity is calculated against primary energy



Greenhouse gas emissions

Greenhouse gas emissions Scope 1, 2 & 3

	Base year (2021)	2023	2024	year-on-year change	2030	2045	Annual % target / Base year
(x 1,000 tonnes)							
Scope 1 & 2 CO₂e emissions (market-based)		915.4	778.1	-15.0%			
SBT Scope 1 & 2 emissions (market-based)	1,072.9		777.2		-42%		-4.7%
Total Scope 1 CO₂e emissions ^[RA]							
- Gross Scope 1 CO ₂ e emission		606.6	594.4	-2.0%			
- Emissions from regulated emissions trading schemes ¹		286	268.0				
Total Scope 2 CO₂e emissions ^[RA]							
- Market-based		308.8	183.7	-40.5%			
- Location-based		602.3	476.9	-20.8%			
Total biogenic CO ₂ emissions from combustion of biofuels		66.0	34.4				
Scope 3 CO₂e emissions ^{2 [RA]}		10,459.7	11,156.1	6.7%			
SBT Scope 3 emissions	11,205.9	8,300.0	9,003.9	8.5%	-25%		-2.8%
- 1 Purchased goods and services		7,699.3	8,378.7	8.8%			
- 3 Fuels		204.7	201.3	-1.7%			
- 4 Transport & Distribution		221.7	240.1	8.3%			
- 5 Waste treatment		174.3	183.8	5.5%			
Other categories		2,159.7	2,152.2	-0.3%			
- 2 Capital goods		268.9	272.2	1.2%			
- 6 Business travel ³		18.9	15.4	-18.5%			
- 7 Employee commuting		39.8	38.4	-3.5%			
- 8 Leased assets		21.5	21.2	-1.4%			
- 9 Transport & Distribution		154.6	110.8	-28.3%			
- 10 Processing of sold products		285.2	266.3	-6.6%			
- 11 Use of sold products ³		-	-				
- 12 End-of-life treatment		1,092.8	1,149.8	5.2%			
- 15 Investments		278.0	278.1	0.0%			
Total CO₂e emissions							
- Market-based		11,375.1	11,934.2	4.9%		-90%	
- Location-based		11,668.6	12,227.4	4.8%			

¹Scope 1 emissions from sites with direct obligations in Emission Trading Systems (EU ETS, UK ETS, Swiss ETS, Shanghai ETS)

²2023 emissions for Scope 3 have been restated due to methodology improvements, and the expansion of the reporting scope of downstream categories. Non-reported categories (13 and 14) are considered not material in line with 'Guidance for Accounting & Reporting Corporate GHG emissions in the Chemical Sector Value Chain' for Scope 3 GHG reporting published by WBCSD. 14% of Scope 3 emissions (Category 1) have been calculated using primary data obtained from suppliers

³In line with applicable guidance, hotel emissions (Category 6 Business travel) amounting to 4,900 tonnes and metabolic emissions (Category 11) amounting to 491,500 tonnes are optional and reported outside the above table.



Greenhouse gas emissions

Total greenhouse gas intensity

	2024	2023	year-on-year change
(1,000 tonnes / million euros)			
GHG intensity (market-based)	0.93	0.92	1.1%
GHG intensity (location-based)	0.96	0.95	1.1%

¹Total net revenue (Net sales 2024 and 2023) is reported in the [Consolidated Financial Statements](#).



Pollution

Material impacts, risks and opportunities

Impacts	Risks and opportunities	Management
<p> ↓ Our operations and our upstream/downstream value chain use substances that may impact human health ↑ Many of our substances of concern are considered essential for life, and have beneficial impacts on human health. Other substances of concern can also reduce energy use and improve productivity </p>	<p> ↓ Increasing restrictions/bans by regulators or customers can lead to non-compliance, replacement costs, or missed sales opportunities </p>	<ul style="list-style-type: none"> • 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 • We closely monitor external developments, including any relevant regulatory changes

↑ positive impact on environment/society or on dsm-firmenich
↓ negative impact on environment/society or on dsm-firmenich



Impact, risk and opportunity management

Policies

Product stewardship is a guiding principle at dsm-firmenich, anchored in our Code of Business Ethics and in the Group Policy Safety, Health and Environment (SHE). It is an integral part of the Group SHE requirements.

The [SHE Policy](#) addresses the safety of our products, including substances known as ‘substances of concern.’¹ More information on this policy can be found in the [Climate change policies](#) section.

The SHE policy applies to all dsm-firmenich entities worldwide, as well as our contractors and supply chain partners. Our Executive Committee is fully committed to the implementation of the SHE policy and its requirements.

Our product stewardship contributes to our business value proposition in a world that is increasingly interested in nutrition, health, and beauty. We strive to apply high standards in producing essential and desirable products that are safe² and healthy for people, animals and the planet. We support our customers to do the same. We carefully manage the impact of all the substances we use and produce following a risk-based approach, using alternatives whenever feasible, and always

when required. Every product must be safe in its production, application, and until end of life.

Actions and resources

In 2024 we focused on product stewardship, and on our product data landscape. Given the complexity, timing and starting points for reporting (for example, we do not make assumptions), we report on what we know regarding substances of concern and substances of very high concern.

The harmonization of data and the identification and closure of gaps will gradually take place in the coming two years, with highest priority being assigned to finished products, followed by purchased raw materials and intermediates. We also serve our customers with tailored information on request. In the longer term, migrating to one product data platform will facilitate our product stewardship actions, target-setting, and monitoring of improvements.

Metrics and targets

Substances of concern and substances of very high concern

We actively monitor and manage the impact of substances of concern that are currently used in our portfolio. Due to the complex integrated data landscape, we have not yet been able to set quantitative ambitions. In 2024, our product

	2024 Products, or part of products or services
(tonnes)	
Substances of concern by hazard class¹	
Carcinogenicity categories 1 and 2	423
Germ cell mutagenicity categories 1 and 2	176
Reproductive toxicity categories 1 and 2	1,430
Endocrine disruption for human health	n.a. ²
Endocrine disruption for the environment	n.a. ²
Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties	n.a. ²
Persistent, Bio-accumulative and Toxic or Very Persistent, Very Bio-accumulative properties	n.a. ²
Respiratory sensitization category 1	429
Skin sensitization category 1	24,664
Chronic hazard to the aquatic environment categories 1 to 4	35,425
Hazardous to the ozone layer	0
Specific target organ toxicity, repeated exposure categories 1 and 2	64,865
Specific target organ toxicity, single exposure categories 1 and 2	360
Substances of very high concern	1,062

¹ Some substances of concern are accounted for in multiple hazard classes if relevant
² As CLP Annex VI doesn't yet include classified substances for those new hazard classes

safety and digital teams worked on a program definition for developing a roadmap for substances of (very high) concern. This is planned to continue in 2025. In the meantime, we are driving continuous improvements of our portfolio.

The assessment of the presence and quantity of SOC and SVHC is based on sales volume (in kg) and composition information from the two main product data platforms of the company. All components with a CAS number, equal or

above 0.1% in the product sold were checked against ATP 19 of Annex VI of CLP – Regulation (EC) No 1272/2008 and ECHA candidate list (June 2024).

Over 2024, 117 ktonnes of substances of concern were present in our finished products. The estimated quantity per main hazard class is presented in the accompanying table.

¹ Where defined as substances that either fulfil certain regulatory criteria (e.g., carcinogenic – category 1B) or are listed by recognized organizations, for their (potential) serious health or environmental risk.
² Where 'safe' is defined as "in all we do, we follow high standards and regulatory requirements, so our products are not likely to harm the health of people, animals, or the environment under the conditions of use and disposal"



Pollution of air, water, and soil

While this sub-topic was assessed to be not material, the following data are provided to meet the needs of ratings, rankings and other stakeholders.

Air emissions decreased year-on-year mainly as a result of the reorganization of industrial assets and operational improvements. At the end of 2024, an internal steering target was set to reduce the intensity of phosphorous and nitrogen emissions in areas with a high water pollution index.

(tonnes)	2024	2023
Emissions to air		
Volatile Organic Compounds (VOC)	2,400	2,700
Nitrogen oxide (NO _x)	500	600
Sulfur dioxide (SO ₂)	20	20
Emissions to water		
Chemical Oxygen Demand (COD) ¹	3,000	2,600
Nitrogen	350	-
Phosphorus	70	-

¹The 2023 value was restated due to double counting at a small number of sites.



Water and marine resources

Material impacts, risks and opportunities

Impacts	Risks and opportunities	Management
<p>↓ Water withdrawal for our own operations: dsm-firmenich water withdrawal in 2024 was 103 million m³, of which majority relates to Once-through-Cooling, i.e., fresh surface water that is used for cooling and is returned to the water bodies after use. Less than 4% of that water withdrawal came from water-stressed areas.</p>	<p>↓ Water consumption and water withdrawals for our own operations: Limited access to water (water availability and water quality) can lead to business interruption. Limited water access can occur in water-stressed areas or during periods of drought/extreme heat (see Climate change – Identifying IROs)</p>	<ul style="list-style-type: none"> • Water stewardship program: focuses on water use reduction, esp. in water stressed areas. • Water management standard: we do regular assessments at company level and take action in case of high risks • Water management practices: we engage with local communities, water catchment management authorities and other users
<p>↑ positive impact on environment/society or on dsm-firmenich ↓ negative impact on environment/society or on dsm-firmenich</p>		



Impacts, risk and opportunity management

Policies

To ensure our business not only aligns with our purpose and values, but also that we achieve progress on water issues, we adhere to several key requirements.

Accountability is maintained at the highest organizational levels, with our Sustainability Committee and Executive Committee overseeing our Climate and Nature agenda, including strategy, targets, and risk management. We also integrate climate and nature goals across all functional teams and include related risks and opportunities in our company-wide processes, reporting them in our Report.

We align with Group policies, continuously improve reporting systems, set ambitious targets, and transparently monitor progress. Employees are engaged and trained in Climate and Nature activities, and we partner with various entities to advance environmental stewardship. We foster a culture of excellence through science, research, and benchmarking, while actively monitoring and responding to external issues and public concerns.

Water is crucial for human and community development, playing a vital role in business manufacturing processes and supporting raw material suppliers. Its importance cannot be overstated: access to clean water, sanitation, and hygiene is essential for the health of people and ecosystems, the sustainability of communities, and the growth of the economy.

However, the world faces increasing pressure on its water catchments. Climate change, rising demand for freshwater, and deteriorating water quality are formidable challenges. To address these issues, collaboration with local communities, regulators, and organizations is crucial. Our [Code of Business Ethics](#) describes our commitment to use water responsibly and our Climate and Nature approach (see [Climate change – Policies](#) for more information) describes our approach to water stewardship. These documents do not currently address water in the context of product design.

We are committed to taking decisive actions to safeguard water resources. Within our operations, we strive to continuously reduce water consumption and withdrawal, particularly in high-risk areas. We ensure that our wastewater is treated in accordance with local laws, often exceeding minimum requirements to minimize our impact on freshwater ecosystems. Additionally, we are dedicated to improving the quality of our waste water to further protect water quality.

Our overall commitment extends beyond our immediate operations. We regularly assess the future availability of water in high-risk catchments and evaluate the environmental and social risks associated with our water usage. By actively participating in initiatives and forming partnerships, we aim to drive significant progress in water stewardship, ensuring a sustainable future for all.

Actions and resources

At the end of 2024, the implementation of our water policy was further reinforced by the development of a company steering KPI for

water of a 10% water intensity reduction in water-stressed areas from 2023 to 2030.

To enable the company to reach this new target, the same principles as for our Scope 1 & 2 GHG roadmap development are applied:

- We identify site improvement opportunities by performing site assessments with water experts
- We deploy sustainable technologies (e.g., dashboarding and monitoring)

The resulting roadmap will be continually improved to ensure that the best solutions are implemented with a view to the local water challenges. These solutions include water efficiency measures such as leakage reduction or cooling tower optimizations, and to a lesser extent water reuse options (e.g., implementing more closed loop systems, wastewater effluent recovery). The resources needed to achieve these water improvements can be handled within our regular operational improvement programs.

Concrete actions to reduce our water consumption are also being conducted and will be further reinforced under the drive of the new target. Recent successes include reducing water withdrawal by more than 20% at our sites in Village-Neuf (France) and Yimante (Hubei province, China) between 2022 and 2024 as a result of several operational improvements. Yimante implemented awareness campaigns and performance tracking, a steam condensate recovery project, the reuse of low-concentration wastewater instead of tap water, and fixed a pipeline leak. Village-Neuf, meanwhile, implemented a condensate recovery process, optimized cooling water and

vacuum pump operations, and made several other improvements thanks to its continuous improvement methodology.

Metrics and targets

Our new voluntary water target, aiming to reduce our water intensity in water-stressed areas by 10% between 2023 and 2030, will be implemented as of 2025.

This target has been defined considering external developments around water stewardship, including:

- The importance of reducing water withdrawal and aligning with, among other things, the SBTN framework development
- The importance of focusing on areas with the highest water stress, as described by, for example, WRI and WWF

This target encompasses all dsm-firmenich sites that are located in a water-stressed area and is measured based on the reported water withdrawal of associated sites (in 1000m³) and production volumes (in tons). Progress will be monitored and reviewed regularly. Beyond this target, we report and track other water-related metrics as defined in our Reporting Standard for Environmental Sustainability. Our primary data source relies on flowmeter readings and bills from third parties for both water withdrawal and discharge. All water-material sites use direct measurements for water withdrawal and discharge.



Water withdrawal

Water withdrawal is the sum of all water drawn into the site from all sources for any use over the course of the reporting period. It includes, but is not limited to, the below six categories:

- Fresh surface water – once-through cooling (OTC)
- Fresh surface water – non-OTC
- Fresh ground water
- Brackish water / sea water
- Water (third-party source)
- Water from processing raw materials
- Material collected rainwater

Once-through cooling refers to the continuous flow of water used only for cooling purposes, which is returned to the same source immediately after use. As we do not reuse or recycle water, nor do we store water, these indicators are considered not material.

Water discharge

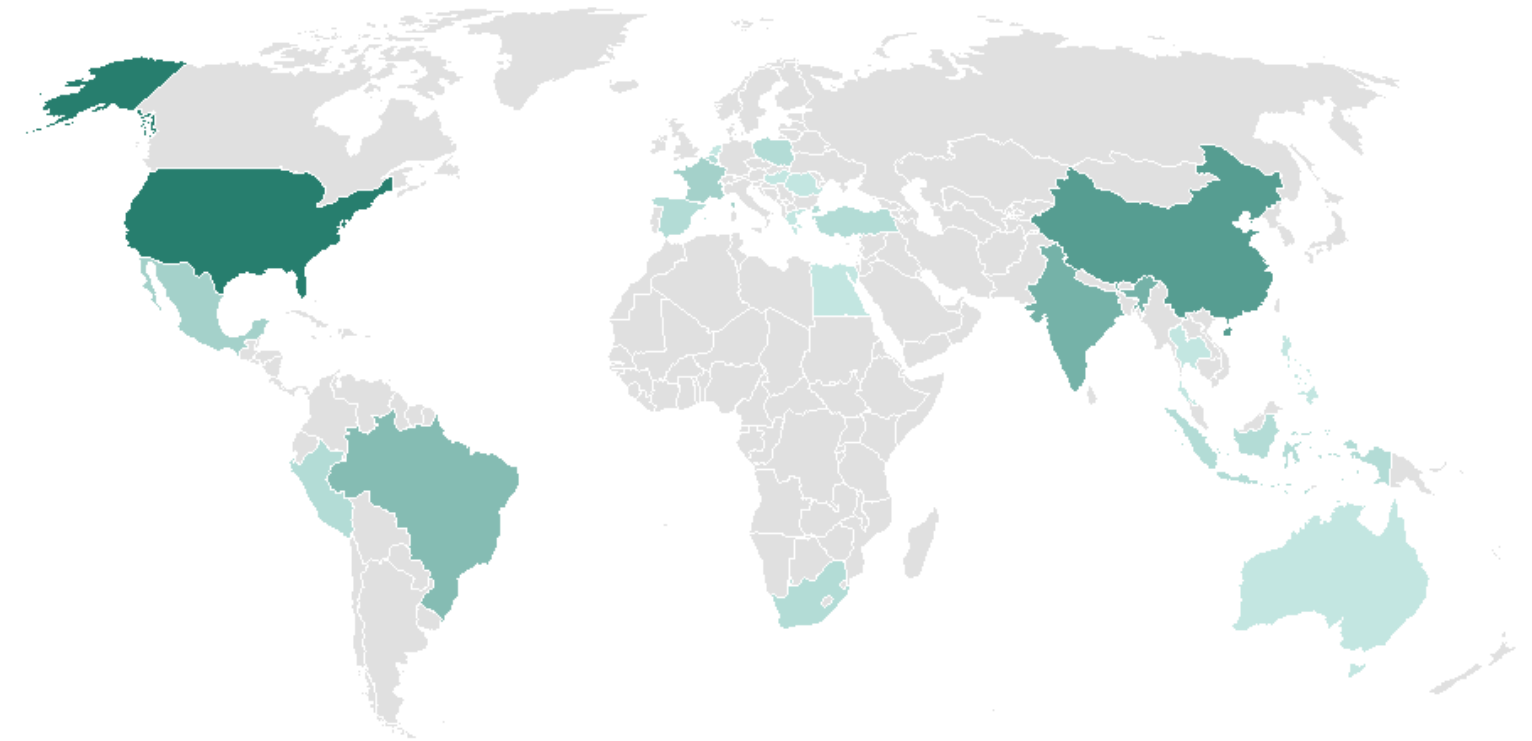
Water discharge is the sum of liquid effluents and other water leaving the boundaries of the organization (or facility) and released to surface water, groundwater, or third parties over the course of the reporting period. This includes all water leaving the company boundary. The destination can be:

- Water discharge, fresh surface water – OTC and water discharge, fresh surface water – non-OTC
- Brackish water / sea water
- Groundwater
- Third-party destinations

Water consumption

Water consumption is the amount of water drawn into the boundaries of the organization (or facility) and not discharged back to the water environment or a third party over the course of the reporting period. It includes the water incorporated into products, crops or waste, evaporated or transpired, consumed by humans or livestock, or stocked on site in a controlled manner which is unusable and therefore not released back to the environment. Water consumption can be metered or calculated by subtracting the total water discharge from the company boundary from the total water withdrawn into the company boundary during the reporting period.

Our approach to defining water-stress locations is based on [WRI Aqueduct](#) (v4.0 – World Resources Institute) freshwater data. Following an extraction of the database based on our locations, we retain those with ‘Extremely High’ or ‘High’ risks based on the time horizon of today or by 2030 using the scenario ‘Business as usual’.



Water stress: distribution of our sites linked to water-stressed areas



Water use

Total water withdrawal decreased slightly by 1%. However, when excluding once-through cooling, the reduction was 17%. Significant progress was made in water-stressed areas. These achievements are attributed to both the reorganization of industrial assets and operational improvements.

Water withdrawal, discharge and consumption

	2024	2023
(x 1,000m ³)		
Total water withdrawal	103,200	104,400
- Fresh surface water (OTC)	80,700	77,400
- Fresh surface water (non-OTC)	5,500	5,500
- Fresh ground water	6,200	9,100
- Brackish water/sea water	0	0
- Third party source	10,000	11,500
- Other ¹		800
- From processing of raw materials	200	
- Material collected rain water	600	
Total water discharge	97,700	98,600
- to environment (OTC)	80,700	77,400
- to environment (non-OTC)	7,600	9,800
- to fresh surface water	6,500	
- to brackish water/sea water	900	
- to ground water	200	
- to offsite treatment (3 rd party destinations)	9,500	11,400
Water consumption	5,400	5,800
- in water-stress areas	1,150	
Water consumption intensity ²	0.42	0.47

¹Other withdrawal includes water from processing of raw materials, and rainwater

²Water consumption intensity is reported versus total net revenue, Total net revenue (2024 and pro forma 2023) is reported in the [Consolidated Financial Statements](#).



Resource use and circular economy

While this Standard has been assessed as not material, these data are provided to meet the needs of ratings, rankings, and other stakeholders.

As no material IROs were identified, no screening or consultations were performed.

Following on from the legacy targets to reduce waste to landfill, significant landfill reduction was achieved in 2024 with a 15% reduction compared to 2023. Many sites contributed to this substantial progress, reflecting the global effort to reduce waste, such as through material reuse or more efficient processes, finding alternatives to landfilling and promoting waste recycling. In addition, we strictly limit the landfilling of hazardous waste, leading to 86% of our sites reporting no hazardous waste to landfill.

Waste by disposal method

	2024	2023
(tonnes)		
Process-related non-hazardous waste	135,600	
Landfill	5,400	9,000
Offsite incineration with heat recovery	30,100	19,600
Offsite incineration without heat recovery ¹	4,700	5,600
Offsite recovery (recycled waste)	95,300	
Process-related hazardous waste	94,700	
Landfill ¹	6,200	6,000
Offsite incineration with heat recovery	47,500	51,700
Offsite incineration without heat recovery	16,400	13,500
Offsite recovery (recycled waste)	24,600	
Total recycled waste (hazardous and non-hazardous)	119,900	129,700

¹The 2023 value was restated due to the alignment of definitions post-merger, and reporting scope correction



Social information

Own workforce

Material impacts, risks and opportunities

Impacts	Risks and opportunities	Management
<ul style="list-style-type: none"> ↑ By providing good labor conditions we can improve the lives of our employees and their families, and attract talent ↑ We can positively impact the lives of our employees by promoting a safe and healthy environment at work, in both physical and mental terms 	<ul style="list-style-type: none"> ↑ If Diversity, Equity & Inclusion (DE&I) is seen as a shared responsibility in the organization, we create an inspiring place to work that will not only benefit our people, customers, and communities but also drive business value ↓ Due to the competitive labor market, tightness for certain specialist roles, and ongoing uncertainties (e.g., the separation of our Animal Nutrition & Health business), we run the risk of not being able to retain and attract key talents and/or keep the workforce motivated. This could impact the delivery of our strategic targets ↓ With ongoing changes inside and outside the organization, employees are faced with uncertainty, increasing complexity, and new ways of working (i.e. the increased influence of digitalization), which can have a negative effect on employees' health & wellbeing, impacting the business value chain (supplier locations, natural raw materials) or own operations. This potentially leads to higher operational costs or business interruption 	<p>Policies</p> <ul style="list-style-type: none"> • People Policy (applicable to all employees and contractors): to support our employees' professional growth and maintain a fair and inclusive work environment • Human Rights policy, including internal procedures on labor rights and working conditions • DE&I policy/standard: emphasizes equal access to opportunities, the celebration of authenticity, and the removal of barriers to success • Safety & Health policies/ SHE requirements – aiming for an injury-free and incident-free workplace; to prevent all work-related disabilities or health problems <p>Programs/initiatives</p> <ul style="list-style-type: none"> • Talent retention in our Core Capabilities program: to foster a sense of belonging and a supportive work environment • Our Upskilling and Reskilling for Technological Advancements program: to ensure our workforce remains future-ready • Initiatives to support well-being, such as 'Boost Your Vitality', the 'Mental Fitness Champions' program, and a flexible hybrid workplace policy • Engagement via Employee Resources Groups (ERGs) • Mandatory training for all employees <p>Monitoring/reporting</p> <ul style="list-style-type: none"> • Employee Engagement survey and other surveys • Social performance of own sites via Smeta audits • SpeakUp platform: for confidential and, if desired, anonymous reporting • Monitoring of safety and health incidents

↑ positive impact on environment/society or on dsm-firmenich
 ↓ negative impact on environment/society or on dsm-firmenich



Impact, risk and opportunity management

At dsm-firmenich, each Business Unit and partner organization conducts biannual reviews of material risks, reporting findings directly to the CEO. This process includes a thorough assessment of workforce-related risks and actionable mitigation plans. We monitor these initiatives through Employee Engagement surveys, using employee insights to shape future actions. More information about our actions related to the workforce can be found in the [Our people](#) section.

Policies

Our internal People Policy underscores our dedication to enhancing employee well-being, promoting equal opportunities, and fostering a respectful workplace. This policy ensures that all recruitment, placement, training, and advancement decisions are based on qualifications, skills, and experience. It is designed to support our employees' professional growth and to maintain a fair and inclusive work environment.

Our [Human Rights Policy](#) is based on international human rights standards, including the International Bill of Human Rights and the Declaration on the Fundamental Principles and Rights at Work of the International Labour Organization (ILO). We follow the UN Guiding Principles for Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct as we implement our commitments. This policy applies to everyone working for and with our company and its subsidiaries worldwide. Any human rights incidents reported via our grievance

mechanism can be found in the Business ethics' [Speaking up](#) section. Our [Code of Business Ethics](#) contains our principles on human rights, including the prohibition on forced labor, child labor and modern slavery. More information on human rights can be found in the [People – Social Impact](#) section.

The Travel & Events Standard provides clear guidelines for business travel and events. It emphasizes safety, efficiency, and cost-effectiveness, and applies to all employees globally. The standard includes provisions for manager approval of travel plans, conscious travel choices to reduce environmental impact, and adherence to updated caps for hotels and meals. This ensures that our travel practices align with our commitment to sustainability and employee well-being.

Our [DE&I Policy](#) is central to our commitment to fostering a diverse, equitable, and inclusive workplace. It sets out the principles and requirements for creating an environment where all employees feel valued and empowered. The policy emphasizes equal access to opportunities, the celebration of authenticity, and the removal of barriers to success. It applies to all employees, including external staff and contractors, ensuring fairness and inclusivity across our organization.

Our internal DE&I Standard outlines our commitment to fostering an inclusive and equitable workplace where all individuals can thrive. It provides clear guidelines for addressing discrimination and bias, emphasizing that DE&I benefits everyone by promoting fairness and belonging. The grounds for discrimination covered include gender,

gender identity, gender expression, transgender or intersex status, sexual orientation, pregnancy, age, race, ethnicity, national origin, color, religion, experience, socioeconomic status, diverse abilities, marital status, family structure, political beliefs, or any other legally protected category. The Standard defines expectations for our recruitment, compensation, performance management and development, and awareness and support tools. A detailed grievance process ensures a zero-tolerance stance on retaliation, reinforcing employee safety and support. This Standard applies to all employees, promoting fairness, impartiality, and operational excellence while building a culture in which everyone belongs.

Our Safety, Health and Environment Policy addresses the safety and health of our employees and non-employees. More information on this policy can be found in [Climate change – Policies](#).

Lastly, the internal Delegation of Authority guidelines ensure that appropriate individuals have the necessary authority to carry out their responsibilities effectively. This program is designed to cascade authority down through the organization, ensuring that all managers and employees understand their roles and responsibilities. It supports our commitment to efficient and transparent decision-making processes.

Actions and resources

Implementation and monitoring

We have established robust procedures to implement and monitor these policies. Our Human Resources Leadership Team (HRLT) is

responsible for overseeing the implementation of these policies and ensuring compliance across the organization. The Human Rights Policy is owned by Group Sustainability, which is responsible for overseeing implementation and compliance. Regular audits and reviews are conducted to assess the effectiveness of these policies and identify areas for improvement. See [People – Our people](#) for more information on actions and resources relating to our people.

Engagement with stakeholders

We actively engage with our employees and their representatives to ensure that their views and concerns are considered in the development and implementation of our policies and targets. This engagement includes regular meetings, surveys, and feedback sessions to gather input and address any issues that may arise.

Remediation and grievance mechanisms

We have established clear processes for addressing any negative impacts on our workforce and providing channels for employees to raise concerns. Our grievance mechanisms are designed to be accessible, transparent, and effective in resolving issues promptly and fairly. Information about grievance mechanisms and reporting can be found in the [Speaking up](#) section in the Business ethics chapter.

Continuous improvement

We are committed to continuously improving our policies and practices to ensure that they remain relevant and effective in addressing the needs of our workforce. This includes regular



updates to our policies based on feedback from employees, changes in regulations, and best practices in the industry.

Metrics and targets

We have set targets across multiple areas to address the relevant impacts, risks and opportunities for our workforce:

- **Safety:** our long-term TRIR target level is 0.20
- **Gender diversity in the Global Management Team:** reach 36% female or non-binary colleagues by the end of 2025
- **Employee Engagement and inclusion:** measure engagement scores of employees self-identifying as minorities; focus on creating a workplace where everyone feels valued and heard; annually measure our overall engagement score; drive focused action planning across our Business Units and Business Partners, report target levels for employee engagement and inclusion post factum as part of the [Compensation report](#)
- **Living wage:** we commit to pay a living wage to all our employees in our own operations
- **Gender pay equity:** we commit to deliver gender pay equity across the different levels of our workforce.

In 2024, our TRIR^[RA] was 0.24, a significant improvement versus the 2023 performance of 0.31, and on track toward our target level. Employee engagement^[RA] was 79% and inclusion was 67%. For our Global Management Team, the next measurement will be performed at the end of 2025, as per the LTI vesting period.

No employees were paid below a living wage, delivering on our commitment. On gender pay equity, the gross gender pay gap was 4.97% in favor of women. This figure does not address the different levels of our organization. We will run internal analysis on the gap for different levels in the coming period. More information can be found in [Our People](#).

Human rights

Information on human rights incidents is reported in [Speaking up](#) in the Business ethics section. In 2024, there were 52 alleged cases of incidents of discrimination and harassment. 28 cases of them were closed, 12 of these cases were substantiated. Additional reporting relating to human rights due diligence is published separately in our [Human Rights Report](#).

We operate in geographies with higher risks of human rights incidents. Based on the assessment of our geographies and the SEDEX risk register, a high risk of child labor is identified in East Asia, and of compulsory labor or forced labor in East Asia, West Asia, South Asia, and Southeast Asia. No severe human rights incidents or fines, sanctions or compensation relating to human rights incidents in our own workforce were reported in 2024.

Safety and health

Our ambition is to provide an injury-free, healthy and secure workplace for everyone in our company. Our health and safety management system addresses occupational safety, industrial hygiene and occupational health. It includes our Safety Standards,

Occupational Health Standards and our SHE Guidelines and is anchored by our strong SHE culture. Our Life Saving Rules (LSRs) address the most significant risks that we face in our work, and have been shaped through our insights and lessons learned.

Our Health and Safety Management System covers 100% of our locations and 100% of the employees of our company, including all contractor employees ('non-employees').

In 2024, dsm-firmenich recorded one fatality from work-related injuries, and no fatalities from work-related ill-health. There were 87 recordable work-related accidents in 2024 (employees and non-employees), resulting in a rate of 1.24 accidents per 1 million hours worked. There were 35 work-related ill health cases (employees). In total, there were 3,789 days lost to work-related injuries (excluding the fatality) and ill-health (employees). These numbers and rates are reported according to the descriptions and definitions as described in the ESRS.

According to our internal incident reporting approach, we recorded zero health and safety

fatalities. This extends a health and safety record of zero employee fatalities since 2010 and zero (employee and non-employee) fatalities since 2018. dsm-firmenich recorded one security fatality, with the loss of an employee in a security incident while commuting between two of our premises. With 85 recordable safety incidents, our total recordable incident rate (TRIR-all) was 0.24. This rate includes all recordable occupational safety incidents for employees and non-employees per 100 man days worked (equivalent to 200,000 hours). It does not include incidents related to ill-health or security injuries.

Collective bargaining agreements

Collective bargaining agreement coverage by region is based on country-level coverage as reported through our regional human resources organization. At least 43% of employees are covered by collective bargaining agreements, and a European Works Council is in place. As dsm-firmenich has no EEA countries meeting the ESRS thresholds, the total EEA percentage is reported.

Coverage rate ¹	Collective bargaining coverage		Social Dialogue
	Employees EEA ²	Employees Non-EEA ²	Workplace representation (EEA only) ²
0-19%		<ul style="list-style-type: none"> North America 	
20-39%		<ul style="list-style-type: none"> Asia Pacific EMEA (excl. EEA) 	
40-59%			
60-79%		<ul style="list-style-type: none"> Latin America 	
80-100%		<ul style="list-style-type: none"> EEA 	

¹ Reported percentages are based on reporting by countries coverage 89% of total headcount
² No EEA country meets the reporting threshold of 10% of workforce, so EEA has been added as a separate region



Characteristics of our employees

All characteristics are reported on a (percentage of) headcount basis. Headcount reporting on our employees is also included in [Note 4 Segment information](#) to the Consolidated Financial Statements.

Temporary contracts are used within the company to backfill absences and temporary leave, cover peak workload periods, and address country-specific practices for probation periods. It also includes all students, trainees and internships.

Employees by gender

	2024	2023
Male	17,968	18,487
Female	10,242	10,811
Not disclosed / Unknown	4	3
Total Employees	28,214	29,301

Employees by country

Country ¹	2024	2023
China	3,365	4,664
USA	4,084	4,059
Switzerland	3,734	3,647
Rest of World	17,031	16,931
Total Employees	28,214	29,301

¹ 'Significant countries' are countries where the company has at least 50 employees representing at least 10% of the total employee count.

Employees by contract type

	Female	Male	Not disclosed / Unknown	Total
2024				
Permanent	8,897	15,814	4	24,715
Temporary	932	981	0	1,913
Non-guaranteed hours	0	0	0	0
Non-integrated acquisitions	413	1,173	0	1,586
Total	10,242	17,968	4	28,214
Full-time	8,740	16,247	4	24,991
Part-time	1,089	548	0	1,637
2023				
Permanent	9,462	17,178	3	26,643
Temporary	372	244	0	616
Non-integrated acquisitions	977	1,065	0	2,042
Total	10,811	18,487	3	29,301



Characteristics of our employees

Employees by contract type by region

	Netherlands	Switzerland	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
2024								
Permanent	1,675	3,613	7,399	4,137	3,324	1,587	2,980	24,715
Temporary	101	121	602	18	241	688	142	1,913
Non-guaranteed hours	0	0	0	0	0	0	0	0
Non-integrated acquisitions	0	0	133	0	0	1,090	363	1,586
Total	1,776	3,734	8,134	4,155	3,565	3,365	3,485	28,214
Full-time	1,265	3,270	7,438	4,139	3,489	2,275	3,115	24,991
Part-time	511	464	563	16	76	0	7	1,637
2023								
Permanent	1,783	3,607	7,469	4,145	3,172	3,522	2,945	26,643
Temporary	0	40	315	19	182	11	49	616
Non-integrated acquisitions	0	0	169	100	263	1,131	379	2,042
Total	1,783	3,647	7,953	4,264	3,617	4,664	3,373	29,301

Inflow and outflow

	2024				2023 ¹			
	Female	Male	Not disclosed / unknown	Total	Female	Male	Not disclosed / unknown	Total
Inflow¹								
Total number of new hires (excluding acquisitions)	1,166	1,852	2	3,020	547	1,011	2	1,560
Acquisitions	0	21	0	21	45	44	0	89
Total inflow	1,166	1,873	2	3,041	592	1,055	2	1,649
% new hires by region								
Netherlands	1.6%	2.9%	0.0%	4.5%	0.6%	1.2%	0.0%	1.7%
Switzerland	3.6%	6.0%	0.0%	9.6%	2.8%	6.3%	0.0%	9.0%
Rest of EMEA	13.4%	17.7%	0.0%	31.1%	9.3%	17.3%	0.0%	26.6%
North America	7.0%	14.0%	0.1%	21.1%	9.0%	18.8%	0.1%	27.9%
Latin America	4.6%	10.2%	0.0%	14.8%	5.2%	9.0%	0.0%	14.2%
China	2.1%	2.9%	0.0%	5.0%	1.7%	4.4%	0.0%	6.0%
Rest of Asia	6.1%	7.9%	0.0%	14.0%	6.6%	7.8%	0.0%	14.4%
Outflow								
Voluntary resignations	696	1,190	3	1,889	349	708	0	1,057
Total outflow (excluding divestments)	975	1,851	4	2,830	548	1,360	2	1,910
Divestments	451	1,017	0	1,468	24	42	0	66
Total outflow	1,426	2,868	4	4,298	572	1,402	2	1,976
Voluntary resignations (%)	7.5%	7.2%		7.3%	3.2%	3.8%		3.6%
Total turnover (%)	10.5%	11.2%		10.9%	5.3%	7.6%		6.7%

¹ Inflow and outflow in 2023 are reported as of the first full month following the date of the merger.



Other indicators

Diversity

	Executives ¹	Management ¹	Other ¹	Non-integrated acquisitions
2024				
Female	140 31.3%	4,936 43.1%	4,753 32.3%	413 26.0%
Male	307 68.7%	6,526 56.9%	9,962 67.7%	1,173 74.0%
Not disclosed / Unknown	0 0%	2 0.01%	2 0.01%	0 0%
TOTAL	447 100%	11,464 100%	14,717 100%	1,586 100%
2023				
Female	181 34.4%	1,077 37.4%	8,576 36.0%	977 47.8%
Male	345 65.6%	1,801 62.6%	15,276 64.0%	1,065 52.2%
Not disclosed / Unknown	0 0%	0 0%	3 0.01%	0 0%
TOTAL	526 100%	2,878 100%	23,855 100%	2,042 100%

¹ Executives are Vice Presidents, Presidents, and C-suite officers, with some minor exceptions. Management are Directors, Managers, and Experts, with some minor exceptions. Other refers to all other employees

Employees by age group

	<30 years	30 - 50 years	>50 years	Unknown	Non-integrated acquisitions
2024					
Female	1,913	6,422	1,907	0	413
Male	2,360	10,978	4,630	0	1,173
Not disclosed / Unknown	3	1	0	0	0
TOTAL	4,276	17,401	6,537	0	1,586
2023					
Female	1,759	6,224	1,842	9	977
Male	2,199	10,539	4,662	22	1,065
Not disclosed / Unknown	3	0	0	0	0
TOTAL	3,961	16,763	6,504	31	2,042



Compensation-related metrics

Living wage

We care for our employees and their families by securing a decent standard of living for them. That is why we commit to pay a living wage to all our employees in our own operations.

A living wage is the wage required to purchase the goods and services needed to meet a minimum acceptable living standard for workers and their families. This includes proper access to health, food and nutrition, housing, and education. Ensuring that people earn a living wage is a critical step toward building a more equitable and inclusive society.

In 2024, we analyzed our wage levels, including all employees in the calculation who have been in active service for more than one year, with the exception of apprentices and interns.

This analysis was based on WageIndicator’s benchmark methodology as follows:

- The typical family is defined as two adults, with a number of children derived from the national fertility rate
- The employment rate is defined as one adult working full-time, while the employment rate of the other adult is derived from the national employment rate
- The lower-bound figure uses prices at the 25th percentile (where 75% of people report higher prices)
- If the WageIndicator benchmark is lower than the country’s adequate (minimum) wages, we always adopt the higher-level option as our benchmark.

Based on our assessment, no employees were paid below the benchmark level

As a next step, we want to secure the same for more people beyond our workforce, specifically focusing on the most vulnerable workers in manufacturing and agriculture. We will work with our suppliers, other businesses, governments, and NGOs to bring about change and encourage the global adoption of living wage practices.

Gender pay gap

We are committed to fostering an inclusive workplace where all employees are rewarded equitably. The gender pay gap constitutes the difference between what men typically earn overall in an organization compared to women, irrespective of their role or seniority.

Our 2024 results showed a gender pay gap of 4.97% in favor of women (i.e. the average pay level of women is 104.97% of the average pay level of men). This is mainly due to more female representation in the management levels of the organization as compared to the other more junior levels.

Pay ratio

This section provides details of the ratio of the annual total compensation for the organization’s highest-paid individual (our CEO) to the median annual total compensation for all permanent dsm-firmenich employees (excluding the highest-paid individual), hereafter referred to as ‘Annual pay ratio’.

The Annual pay ratio will be calculated as at the reference date (i.e., 31 December) of the relevant financial year. Only permanent employees of a consolidated dsm-firmenich subsidiary on the Reference date will be considered; there will be no correction for hires or terminations during the year, nor for the impact of any M&A activities.

Compensation for part-time employees is extrapolated to represent full-time equivalent figures. Currency conversion is based on the average year-end rate set by our Treasury department. The Annual pay ratio includes annual base salary (for the CEO on actual basis, for other employees as applicable on the reference date), annual cash incentives paid during the financial year, and the fair value of the at target Long-Term incentive (LTI) grant during the financial year. Finally, social security contributions (Employer part) and Employer contributions to company pension plans are considered (for the CEO on actual basis and for other employees based on a multiplier). Other benefits, fixed allowances, and perks are not included.

Given the above assumptions, the CEO’s total compensation in 2024 was EUR 5,518,160, whereas the median 2024 compensation for permanent employees was EUR 76,914. This results in an Annual pay ratio of 71.7. If the ratio were to consider average employee remuneration (EUR 100,864) rather than the median, the ratio would amount to 54.7.

It is noted that, for the calculation of the Annual pay ratio, the total compensation of the CEO is calculated based on the similar assumptions as

	2024	2023
Employees paid below benchmark	0	-
Gender pay gap	-4.97%	-
Remuneration ratio	71.7	-

the median for all other employees was determined; the amount therefore differs from that stated in the [Compensation report](#). The main differences concern the STI (STI paid in 2024 achieved over 2023 versus the STI accrued in 2024 in the Compensation report) and the LTI (fair value versus face value used in the Compensation report).

Any comparison over time and/or between companies should be made with great caution and restraint. Companies may use different calculation methods, and their geographical footprint may also vary significantly. The outcome of the Annual pay ratio is largely determined by the share of variable remuneration (Short- and Long-Term Incentives) in total remuneration. The proportion of variable remuneration (i.e., remuneration at risk) in total remuneration increases for higher job classes and amounts (at target) to 75% of the CEO’s total direct compensation. Additionally, remuneration structures may differ by country, and acquisitions, divestments, growth or decline in certain areas and exchange rate fluctuations will also affect the Annual pay ratio.



Workers in the value chain

Material impacts, risks and opportunities

Impacts	Risks and opportunities	Management
<ul style="list-style-type: none"> ↑ We can have a positive impact in the value chain by selecting suppliers who are committed to making positive impacts on People and Planet ↑ We can have a positive impact in the upstream value chain by supporting our partners in improving lives and livelihoods, advancing well-being, accelerating climate action, and safeguarding and restoring nature ↑ We can positively impact the lives of our contractors' and suppliers' employees by promoting a safe and healthy environment at work ↓ A violation of human rights in our upstream value chain would cause human suffering 	<ul style="list-style-type: none"> ↓ A severe breach of working condition standards within our supply chain could damage our reputation as a sustainability leader, result in the loss of value, or incur liabilities ↓ Significant health and safety incidents within our supply chain could cause supply chain disruptions and negatively affect our reputation 	<ul style="list-style-type: none"> • All suppliers must adhere to our Supplier Code and Responsible Sourcing standard, which include working conditions • Our SpeakUp platform for anonymous reporting • Including minimum Occupational Safety & Health requirements in contracts with our suppliers • Including contractors working at our sites in our safety programs (training, monitoring of incidents) • Monitoring social performance via EcoVadis, Sedex, Union for Ethical Biobased Trade (UEBT), and Sphera risk alerts • Due Diligence Framework to identify, assess and address salient issues with high-risk suppliers or value chains • Collaborating with value-chain partners on human rights via Due Diligence at Source program and networks such as UEBT
<p>↑ positive impact on environment/society or on dsm-firmenich ↓ negative impact on environment/society or on dsm-firmenich</p>		



Impacts, risks, and opportunity management

The material part of our value chain that is in scope of our disclosures for this standard is our upstream value chain.

We identify risks, impacts, and opportunities at Group level through an internal supplier risk assessment which is conducted by the Procurement Leadership Team (PLT) on an annual basis. Conducted most recently in March 2024, our risk related to workers in the value chain is that our suppliers may not comply with our Responsible Sourcing standard and all consequences thereof, i.e., human rights violations and inaccurate reporting of environmental data.

We leverage risk-screening solutions such as SEDEX, Union for Ethical BioTrade (UEBT) and other third-party sources to prioritize our suppliers based on risk exposure (country and industry risk) and mitigating actions taken against this exposure (EcoVadis ratings). Our risk analyses have identified that our exposure to human rights-related risks is most significant within the flower and spice derivatives supply chains in regions such as EMEA, South America, and Southeast Asia.

These analyses enable us to set up a prioritization plan with our Business Units to address the risks identified. Besides our continuous monitoring of supplier sustainability performance data, we use third-party live news monitoring and alert systems, as well as our own SpeakUp grievance mechanism to address immediate negative impacts in a timely manner. Our policies and frameworks have been designed to reduce negative impacts and support positive ones wherever possible.

Policies

We are committed to managing our material impacts on value chain workers and addressing related risks and opportunities. Our policies are designed to ensure the highest standards of honesty, fairness, and integrity, as outlined in our [Code of Business Ethics](#). These policies apply universally across our company and are mandatory for all employees, ensuring compliance with relevant laws, regulations, and industry standards. Our [Supplier Code](#) and [Responsible Sourcing standard](#) set out our expectations for our direct suppliers, and we expect our suppliers to set similar standards for their respective supply chains. These documents include provisions addressing the safety of workers, human trafficking, forced labor, child labor, and adherence to ILO standards. The ultimate accountability and operational responsibility for implementing the Supplier Code and Responsible Sourcing standard lie with our Chief Procurement Officer. We emphasize responsible sourcing practices and expect our suppliers to engage in sustainability performance monitoring and continuous improvement.

Our external-facing policies are embedded by means of internal protocols governing responsible sourcing and aligned with other directives relevant to value chain workers, such as our [Human Rights Policy](#). This document outlines our commitment to promoting decent work, respecting human rights, and supporting the safety of the communities where we operate. We follow the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The ultimate accountability and operational

responsibility for implementing the Human Rights Policy lie with our Chief Sustainability Officer, who provides periodic updates and reports to our Executive Committee and Board of Directors. Our Group Sustainability team collaborates closely with Procurement and Human Resources to ensure alignment and effective implementation. Our policies cover all direct suppliers' value chain workers who could be affected by material impacts identified under ESRS 2 Disclosure Requirements IRO2 and 3. We continuously assess and address any gaps in our policies to ensure comprehensive coverage and effective management of risks and impacts. We ensure adherence through regular training, internal and external audits, and a robust grievance mechanism. We monitor compliance with our Supplier Code and report any violations in our value chain. We communicate our policies to relevant individuals and entities through various channels, including flyers, newsletters, dedicated websites, social media, and face-to-face interactions. We ensure accessibility by translating policies into relevant languages and using graphic depictions where necessary.

Actions and resources

When entering into a business relationship with suppliers, we ensure that sustainability ambitions are aligned by means of a supplier self-assessment and ensure that the supplier accepts our mandatory policy documents. Continuous adherence to these policies is validated through third-party sustainability assessments. We obtain information on the perspectives of these suppliers through standard supplier management activities such as business review meetings and supplier

audits. We also collect data from sustainability assessments to drive improvement discussions. In cases where the rationale is more critical – such as severe deviations uncovered by means of a due diligence field assessment or third-party alert – we may extend the engagement with our suppliers in the field to our suppliers' suppliers (and potentially beyond), while considering their individual risks, perspectives, and impacts. Our Sustainability at Source team, part of the Group's responsible sourcing department, is dedicated to identifying and coordinating the execution of corrective actions.

Between April 2024 and the end of the year, we trained 49% of our targeted suppliers (those with a score below 60 on the EcoVadis Labor and Human Rights pillar) by providing them an introduction to human rights and the impact on business value, the UNGP, and how to set up a Due Diligence management system. This training was developed in-house with the UNGC Switzerland and provides our suppliers with clear expectations and tools to fast-track compliance. We also ensure that suppliers have access to resources to independently improve their performance, primarily in the form of (online) educational material.

Our Sustainability at Source team plays a key role in monitoring and addressing risks within our supply chain. When a risk indicator or alert system is triggered during the screening of supplier performance, the team conducts detailed desk assessments to evaluate the situation. If necessary, this process is followed by a field assessment, which allows us to gain a deeper understanding of the operational context and stakeholders involved, as well as to



verify both actual and potential adverse impacts identified in earlier assessments. Beyond implementing corrective actions, the team also drives positive changes all the way to the source.

Stakeholder engagement in field assessments

Field assessments are carried out in close consultation with a variety of stakeholders, including suppliers, their workforce, local communities, NGOs, trade unions, and local or national institutions. These stakeholders serve as credible partners and are directly involved or consulted during the field assessments to ensure a comprehensive understanding of the situation.

Identifying sensitive supply chains and defining actions

Based on the results of supplier performance reviews and risk analysis, as well as ongoing business reviews, our Sustainability at Source team identified the most sensitive supply chains in 2024. These supply chains will undergo detailed investigations to assess potential adverse effects and determine how the likelihood and impact of these effects can be minimized or remediated. In 2024, 25 field actions (due diligence field assessments, follow-up visits on action plans, projects at source such as certification preparation) were performed as per plan.

Collaborative action plans and ownership

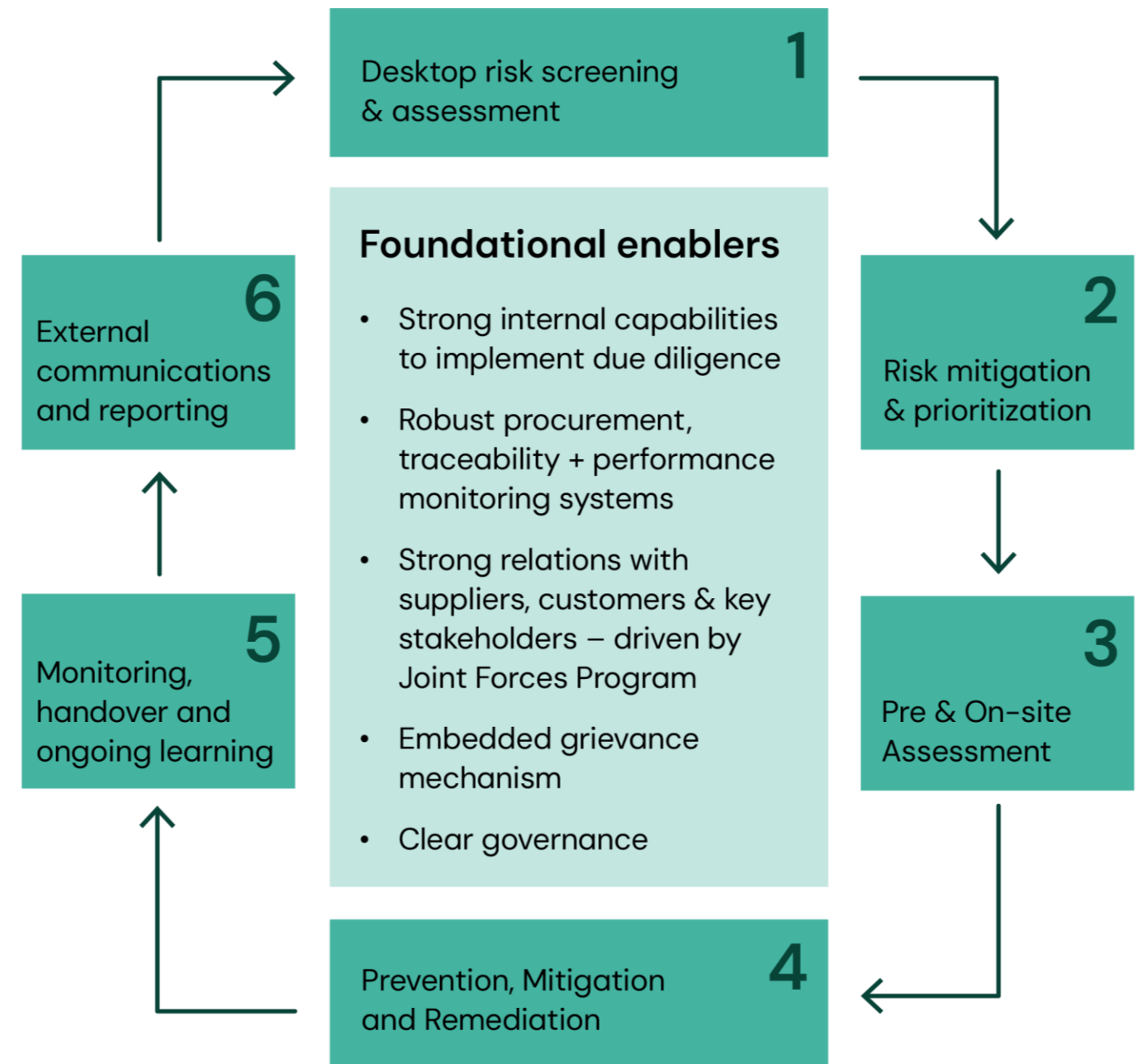
For each issue identified, Sustainability at Source collaborates with procurement managers, Business Units, sustainability teams, and, depending on the project, with NGOs and

local organizations to define clear action plans. These plans cover, among other things, target groups, resources, timelines, escalation paths (via grievance mechanisms), and ownership.

If an action plan does not sufficiently address the impacts identified, ownership of the action will remain within dsm-firmenich. In some cases, we may conduct additional site visits and due diligence to identify any new concerns and take timely action to address these. The effectiveness of these actions is monitored by means of follow-up field visits. The frequency and timing of these visits depends on the severity of the impacts and the established timelines for the corrective actions.

Grievance mechanisms and reporting

We understand the importance of reporting any violations of our Supplier Code, Responsible Sourcing standard, or external commitments. To ensure transparency and accountability, we encourage value chain workers to report any such violations through our SpeakUp grievance channel. This anonymous channel is managed by an external service provider to ensure an independent investigation process. Further information on the SpeakUp channel can be found in the Business ethics section. Awareness of the SpeakUp channel was validated through our Join Forces event in April, where we asked our partners about their familiarity with our requirements and expectations. Learn more about how we perform due diligence in our story on driving positive social impact in our pink pepper supply chains. Our full due diligence framework, which we strengthened in



The stages of the Due Diligence framework



2024 and was reviewed by a third party, is depicted in the image on the previous page.

Jasmine production in Egypt

We conduct due diligence on our most sensitive supply chains. After identifying salient human rights (child labor and working conditions) impacts in the Egyptian jasmine supply chain, including our own supply chain, we took immediate, targeted actions.

Addressing human rights challenges requires a holistic, multi-stakeholder approach. Therefore, in 2024, we joined a coalition that includes the Fair Labor Association, the International Labour Organization, over 15 national and international producers and purchasers of jasmine products, the government of Egypt, and several local civil society organizations. Together, we work to promote child protection and decent working conditions in the jasmine sector in Egypt.

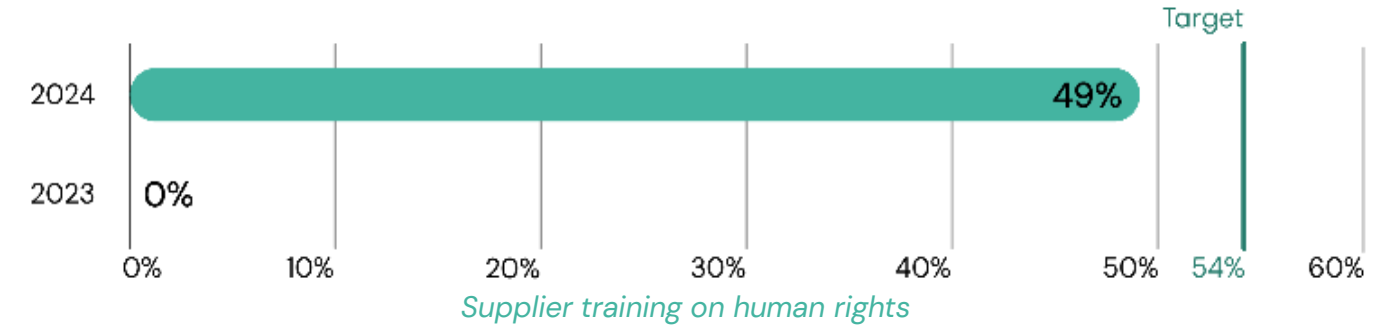
The 2024 launch of this initiative focused on addressing child labor in jasmine production, with specific field-level interventions aimed at breaking the cycle of child labor and empowering workers. The key activities, backed by strong evidence, are as follows:

- **Root Cause Analysis and Gender-Sensitive Actions:** analyzing gender dynamics in jasmine production to tailor interventions to the needs of men and women, particularly around access to resources and support.
- **Social Support and Financial Literacy:** awareness-raising sessions on children’s rights and how families can access public services. Distribution of pre-paid cards for better access to government services, alongside financial literacy training for workers and families.

- **Health and Safety:** over 7,500 jasmine pickers received personal protective equipment (PPE) like headlamps, waterproof boots, and aprons. The program organized 23 medical convoys and mobile clinics, providing medical services, including surgeries and health education, with over 1,000 medical exams conducted to date, primarily for women and children.
- **Monitoring and Case Management:** hiring 16 monitors to work with local teams, covering 21 villages and over 150 hectares, to ensure child labor does not occur. The monitors not only address cases of child labor but also facilitate community awareness sessions and collaborate with national child protection committees for remediating and rehabilitating affected children.
- **Economic Empowerment:** programs to promote financial education and economic empowerment for jasmine pickers and workers, with the aim of improving their overall living conditions.

Metrics and targets

We have set a clear and ambitious target to enhance human rights awareness and compliance among our suppliers. Recognizing the challenges inherent in taking the first steps toward a full appreciation of human rights obligations, we have developed a comprehensive training program aimed at supporting our suppliers on this journey. Our 2024 objective was to train 54% of our targeted suppliers (those with a score of below 60 on the Labour & Human Rights pillar in EcoVadis) who underperform on human rights, ensuring that they align with our expectations and industry standards.



This target is integral to our policy objectives of promoting fair compensation, economic resilience, and robust human rights practices within our value chain. The scope of this target includes our entire upstream value chain, covering all regions where our suppliers operate. The baseline value for this target is derived from the percentage of targeted suppliers identified in late 2023. The target period spanned 2024, with progress reviewed monthly and interim reporting to the PLT.

To define this target, we utilized methodologies based on EcoVadis assessment scores, externally validated by ISO Certifications. Our methodology for targeting and training suppliers is validated by the EcoVadis assessment, an external tool that measures supplier performance on human rights. The metric we use is the percentage of targeted suppliers trained on human rights, providing a meaningful and precise measure of our progress. Targeted suppliers are informed of, but not directly engaged in the development of, this target. This approach aligns with international human rights standards and our commitment to the UN Guiding Principles on Business and Human Rights.

We monitor our progress through regular assessments and training completions. At the

time of publication, we have successfully trained 49% of our targeted suppliers. This includes suppliers who have completed an EcoVadis Academy Training or a Together for Sustainability (TfS) Academy training, those who have demonstrated a score improvement of 60 or higher during a reassessment, and those who have confirmed participation in our supplier engagement program. Monthly reviews and trend analyses help us address any significant changes in performance and ensure we remain on track to meet our goals.

As part of our ongoing commitment to sustainability and human rights, we are currently in the process of developing measurable outcome-oriented targets related to enhancing human rights awareness and compliance among our suppliers. We recognize the importance of having clear and measurable targets to drive progress and accountability. Therefore, we are dedicating significant resources to ensure our targets are robust, achievable, and aligned with our policy objectives. We anticipate finalizing and publicly disclosing these targets in the second half of 2025. Pending approval of our commitments, we continue to monitor adherence to our policies through our standard supplier engagement activities (see [Supplier engagement](#)).



Consumers and end-users

Material impacts, risks and opportunities

Impacts	Risks & opportunities	Management
<p>↑ We touch the lives (health and well-being) of many people by providing good-quality, sustainable ingredients to our customers (major companies with a global footprint)</p>	<p>↑ By taking into account currently unmet needs of consumers or certain end-users, we can improve access to our products and services, leading to increased sales</p> <p>↓ Contamination or other quality issues with our products could negatively impact our reputation and License to Operate or lead to loss of customers (see also Quality in Our drivers of success)</p>	<ul style="list-style-type: none"> Partnerships for Nutrition and Health e.g., with UN WFP, UNICEF (malnutrition), World Vision International, Africa Improved Foods, Bill & Melinda Gates Foundation Strict Quality policy, standards, and training, including protocol for critical incidents/non-conformity Monitoring and resolution of customer complaints
<p>↑ positive impact on environment/society or on dsm-firmenich ↓ negative impact on environment/society or on dsm-firmenich</p>		

Impact, risk and opportunity management

Policies

As we have limited direct engagement with consumers and end-users, we have no specific policies relating to them. At time of publication, we have no plans to develop such policies. We engage with consumers and end-users via our customers, or through consumer studies to understand consumer trends. Our grievance mechanism, SpeakUp, is available to all stakeholders, and we encourage them to raise concerns via this channel should the need arise. More information can be found in

[Speaking up](#) in the Business ethics section. Nutrition and health are also a core part of our consumer strategy. More information can be found in the [People – Nutrition and health](#).

Actions and resources

One way to achieve our malnutrition impacts is through our partnerships. These partnerships are supported by in-kind, direct and indirect financial contributions of more than EUR 3 million a year. The partnerships are managed by a team within Group Sustainability in close collaboration with relevant Business Units (such as the Nutrition Improvement team within HNC)

and Business Partners (such as Human Resources and Group Communications).

Information about how these partnerships take action on malnutrition impacts can be found in [Nutrition and health](#). Additional information on the impact of our products and solutions on consumers and end-users, via our customers, can be found in [Our Businesses](#).

Metrics and targets

As dsm-firmenich does not directly engage with consumers and end-users, we currently do not have specific targets related to consumers

and end-users. We measure certain metrics to understand the scale of our reach among consumers and end-users.

Through our Nutrition Improvement products, acting both independently and through our partnerships, we reached 620 million beneficiaries with our high-quality nutritional intervention solutions: large-scale staple food fortification, emergency and therapeutic foods and public health supplementation. For more information on our nutrition partnerships, see [People – Nutrition and health](#).



Governance information

Business conduct

Material impacts, risks and opportunities

Impacts	Risks and opportunities	Management
<ul style="list-style-type: none"> ↑ An ethical company culture is the foundation of good business practices and underpins positive impacts in other areas. ↑ Good management of relationships with suppliers, including reliability of payment and the promotional of ethical practices, can improve resilience in our supply chains. ↑ Implementing relevant prevention, detection, and training programs strengthens the company's commitment to ethical practices, enhancing its integrity and trustworthiness among stakeholders, partners, investors, and society at large. These initiatives mitigate the risk of corruption and bribery, protecting the company from potential legal, reputational, and financial repercussions ↓ As we are part of a value chain, a corruption incident within our company could have far-reaching consequences, impacting not only our company but also our related sectors, undermining trust and integrity throughout the industry ↑ Implementing a speak up platform is essential for promoting ethical behavior, enhancing trust, and protecting employees by providing a safe, confidential way to report concerns without fear of retaliation. It allows for early detection and resolution of issues, and helps meet regulatory compliance while mitigating risks 	<ul style="list-style-type: none"> ↑ By fostering an ethical company culture within dsm-firmenich, we contribute to strong stakeholder engagement, resulting in positive performance and increased company value ↑ The good reputation of the company as a trustworthy partner to its customers, suppliers, and other business stakeholders is earned by acting with integrity ↓ Any failure to comply with laws and regulations in our supply chain could lead to reputational risk and loss of business ↑ Implementing robust prevention, detection, and training programs against corruption and bribery enhances an organization's reputation, builds trust among stakeholders, and drives legal compliance ↓ Developing and maintaining comprehensive prevention, detection, and training programs requires significant resources. If we fail to maintain these programs, this could result in lack of awareness in the areas of ethics and compliance within the company, leading to acts of corruption or bribery ↓ If we fail to manage our grievance reporting system diligently, this could lead to unchecked unethical behavior, decreased employee morale, and potential legal and reputational consequences (e.g., non-compliance with the EUWBD) 	<ul style="list-style-type: none"> • Our Code of Business Ethics, applicable for all employees, outlines what it means at dsm-firmenich to do the right thing • The dsm-firmenich Behaviors (derived from our purpose and values), used in performance development reviews of all employees • All third parties who do business with or on behalf of dsm-firmenich are expected to follow the dsm-firmenich Supplier Code, our Responsible Sourcing standard, and all relevant laws and regulations • Relationship management, see Supplier engagement and Workers in the value chain • Our Code of Business Ethics, Supplier Code, Policy / Standard on Anti-Bribery and Corruption, and Due Diligence Framework for suppliers • Global Mandatory training on bribery and corruption and on the Code of Business Ethics to raise awareness on business ethics • Our speak up platform is available to anyone with grievances, and facilitates anonymous reporting if desired
<p>↑ positive impact on environment/society or on dsm-firmenich ↓ negative impact on environment/society or on dsm-firmenich</p>		



Impact, risk, and opportunity management

Policies

We are committed to maintaining the highest standards of business conduct and ethics. Our [Code of Business Ethics](#) serves as a comprehensive guide for all employees, emphasizing the importance of honesty, fairness, and integrity in all our operations. To further reinforce our commitment to ethical practices, we have implemented a robust [Group Policy on Anti-Bribery and Corruption](#). This underscores our zero-tolerance approach to bribery and corruption, ensuring all business activities are conducted transparently and ethically. We also prioritize open communication and accountability through our SpeakUp platform, which allows users to report any concerns or suspected misconduct confidentially and without fear of retaliation. It is an essential tool in fostering a culture of transparency and integrity within our organization.

Our Group Policy is further developed by specific Group Standards. Our internal Group Standard on Donations & Sponsorships ensures that all donations and sponsorships align with our ethical standards and business objectives. This standard mandates that all donations and sponsorships should be conducted transparently and should not create any conflicts of interest or the appearance of improper influence. Any endorsement, financial support, or donation by or on behalf of the company to any political party, candidate, or religious organization is strictly prohibited. We respect our employees’ right to engage in the political process, but only on a private basis.

Together, these policies and platforms form the cornerstone of our commitment to ethical business conduct, ensuring that we operate with integrity and accountability in all our endeavors. Information on our relationships with suppliers can be found in [Stakeholder engagement – Supplier engagement](#) and information on corruption and bribery can be found in [Business ethics – Identifying and managing bribery and corruption risks](#).

Metrics and targets

Incidents of corruption and bribery

Information on incidents of corruption and bribery can be found in [Business ethics – SpeakUp reports](#). No convictions or fines relating to anti-corruption and bribery laws have been reported.

Political influence and lobbying

Our Code of Business Ethics states that “we do not publicly endorse, financially support, or donate to any political party, candidate or any religious organizations.” As such, the total monetary or in-kind political contributions, made directly and indirectly, is zero. Our company is registered in the EU Transparency Register with REG Number 73926352722-07.

Payment practices

We do not apply differentiated payment practices to our suppliers, nor do we have a policy specifically addressing payment practices, beyond the *Contractual obligations* principle in our [Code of Business Ethics](#). Our standard payment terms are 90 days, end of month of the date of receipt of the invoice,

Priority areas for advocacy	Main positions
The role of vitamins in food and nutrition security	Raise awareness about the EU’s and US’s vitamin dependencies and call for action to ensure resilient supply of these vital ingredients for both animal and human nutrition.
Regulatory framework on ingredients and raw materials	Raise awareness about the importance of food, feed and beauty ingredients and advocate for a related science-based and proportionate regulatory framework for those ingredients within the EU.
Regulatory landscape for biotech innovations	Promote policy and legislative change to facilitate the regulatory approval and uptake of, and investment in industrial biotechnology innovation in the EU and boost the global competitiveness of the biotechnology sector.

unless stipulated otherwise on the purchase order (as stated in the [general purchase conditions of dsm-firmenich](#)). The average payment term (excluding supply chain financing agreements, see [Note 21 Current liabilities](#) for information) is under 60 days. 98% of suppliers (including supply chain financing agreements) have an average payment term within the standard payment terms. There are currently no reported legal proceedings outstanding for late payment.



Appendix to the Sustainability Statements

Swiss Ordinance on Climate Matters

The mapping table provided opposite provides guidance on how dsm-firmenich has reported with regard to the Swiss Ordinance on Climate Matters, which came into force on 1 January 2024. These disclosures are based on the TCFD Requirements.

Swiss Ordinance on Conflict Minerals

We have assessed our exposure to the minerals and metals specified in Annex I of the Swiss Ordinance. We do not meet the thresholds and have concluded that we are exempted from the due diligence and reporting obligations.

Elements	Recommended disclosures	References in this report
Governance	1. Management’s oversight on climate-related risks and opportunities	General information – Governance
	2. Management’s role in assessing and managing climate-related risks and opportunities	Climate change – Impact, risk and opportunity management Climate – Physical and transition climate risk assessments
Strategy	1. Description of climate-related risks and opportunities	Climate change – Impact, risk and opportunity management Climate – Physical and transition climate risk assessments
	2. Impact of climate-related risks on the company’s business activities and strategic and financial planning	Climate change – Impact, risk and opportunity management Climate – Physical and transition climate risk assessments
	3. Resilience of the organization’s strategy	Climate change – Impact, risk and opportunity management
Risk management	1. The company’s processes for identifying and assessing climate-related risks	Climate change – Impact, risk and opportunity management Climate – Physical and transition climate risk assessments
	2. The company’s processes for managing climate-related risks	Climate change – Impact, risk and opportunity management Climate – Physical and transition climate risk assessments
	3. Integration of processes for identifying, assessing and managing climate-related risks into the company’s general risk management system	Climate change – Impact, risk and opportunity management Climate – Physical and transition climate risk assessments
Metrics and targets	1. Metrics with which the company assesses climate-related risks and opportunities	Climate change – Metrics and targets
	2. Disclosure of Scope 1, Scope 2 & Scope 3 GHG emissions	Climate change – Greenhouse gas emissions
	3. Targets used to manage climate-related opportunities and risks against performance	Climate change – Metrics and targets



ESRS content index

ESRS 2 General disclosures

Disclosures that are incorporated by reference are indicated with (IbR)

DR	Requirement	Reference
BP-1	General basis for preparation of sustainability	Sustainability Statements – Basis of preparation
BP-2	Disclosures in relation to specific circumstances	Sustainability Statements – Basis of preparation
GOV-1	The role of the administrative, management and supervisory bodies	Sustainability Statements – Governance Governance & Risk Management – Board of Directors (IbR) Governance & Risk Management – Sustainability committee (IbR) Stakeholder engagement – Internal engagement on sustainability (IbR)
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability Statements – Governance Governance & Risk Management – Board of Directors (IbR) Governance & Risk Management – Sustainability committee (IbR) Stakeholder engagement – Internal engagement on sustainability (IbR)
GOV-3	Integration of sustainability-related performance in incentive schemes	Compensation – Compensation of the Executive Committee (IbR) Consolidated Financial Statements – Note 27 Share-based compensation (IbR)
GOV-4	Statement on due diligence	People – Human rights (IbR) Stakeholder engagement – Supplier engagement (IbR)
GOV-5	Risk management and internal controls over sustainability reporting	Governance & Risk Management – Our approach to risk management (IbR) Sustainability Statements – Risk management over sustainability reporting
SBM-1	Strategy, business model and value chain	Strategy – Our approach to business Our approach to sustainability – Our integrated report and value creation (IbR) Our approach to sustainability – Impact measurement and reporting
SBM-2	Interests and views of stakeholders	People – Nutrition and health (IbR) Stakeholder engagement – Supplier engagement (IbR) Stakeholder engagement – Investor engagement (IbR) Stakeholder engagement – Community engagement (IbR) Stakeholder engagement – Partnerships (IbR)
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change – Material impacts, risks and opportunities Pollution – Material impacts, risks and opportunities Water and marine resources – Material impacts, risks and opportunities Own workforce – Material impacts, risks and opportunities Workers in the value chain – Material impacts, risks and opportunities Consumers and end-users – Material impacts, risks and opportunities Business conduct – Material impacts, risks and opportunities



IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Climate change – Our net zero roadmap Climate change – physical and transition climate risk assessments Sustainability Statements – Materiality assessment process Nature – Biodiversity management (IbR) [Related to E4]
IRO-2	Disclosure requirements in ESRS covered by the undertaking’s sustainability statement	Sustainability Statements – ESRS content index

ESRS E1 Climate Change

DR	Requirement	Reference
GOV-3	Integration of sustainability-related performance in incentive schemes	Compensation – Compensation of the Executive Committee (IbR)
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change – Material impacts, risks and opportunities
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Climate change – Our net-zero roadmap Climate change – Physical and transition climate risk assessments
E1-1	Transition plan for climate change mitigation	Climate change – Our net-zero roadmap Climate change – Strategy
E1-2	Policies related to climate change mitigation and adaptation	Climate change – Policies
E1-3	Actions and resources in relation to climate change policies	Climate change – Our net-zero roadmap Climate change – Actions and resources
E1-4	Targets related to climate change mitigation and adaptation	Climate change – Metrics and targets
E1-5	Energy consumption and mix	Climate change – Energy
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Climate change – Greenhouse gas emissions
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Climate change – Our net-zero roadmap Climate change – Carbon credits and carbon pricing
E1-8	Internal carbon pricing	Climate change – Carbon credits and carbon pricing
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Transitional provision

ESRS E2 Pollution

DR	Requirement	Reference
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability Statements – Materiality assessment process
E2-1	Policies related to pollution	Pollution – Policies
E2-2	Actions and resources related to pollution	Pollution – Actions and resources
E2-3	Targets related to pollution	Pollution – Metrics and targets
E2-4	Pollution of air, water and soil	Not material



E2-5	Substances of concern and substances of very high concern	Pollution – Metrics and targets
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Transitional provision

ESRS E3 Water and marine resources

DR	Requirement	Reference
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability Statements – Materiality assessment process
E3-1	Policies related to water and marine resources	Water and marine resources – Policies
E3-2	Actions and resources related to water and marine resources	Water and marine resources – Actions and resources
E3-3	Targets related to water and marine resources	Water and marine resources – Metrics and targets
E3-4	Water consumption	Water and marine resources – Water use
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Transitional provision

ESRS S1 Own workforce

DR	Requirement	Reference
SBM-2	Interests and views of stakeholders	Own workforce – Policies Own workforce – Actions and resources
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Own workforce – Material impacts, risks and opportunities
S1-1	Policies related to own workforce	Own workforce – Policies
S1-2	Processes for engaging with own workers and workers’ representatives about impacts	Own workforce – Actions and resources
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Own workforce – Actions and resources Business ethics – Speaking up (IbR)
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Own workforce – Actions and resources
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Own workforce – Metrics and targets
S1-6	Characteristics of the undertaking’s employees	Own workforce – Characteristics of our employees
S1-7	Characteristics of non-employee workers in the undertaking’s own workforce	Transitional provision
S1-8	Collective bargaining coverage and social dialogue	Own workforce – Collective bargaining agreements
S1-9	Diversity metrics	Own workforce – Other indicators
S1-10	Adequate wages	Own workforce – Compensation-related metrics
S1-11	Social protection	Transitional provision
S1-12	Persons with disabilities	Transitional provision



S1-13	Training and skills development metrics	Transitional provision
S1-14	Health and safety metrics	Own workforce – Safety and health
S1-15	Work-life balance metrics	Transitional provision
S1-16	Compensation metrics (pay gap and total compensation)	Own workforce – Compensation-related metrics
S1-17	Incidents, complaints and severe human rights impacts	Own workforce – Human rights Business ethics – Speaking up (IbR) Business ethics – SpeakUp reports (IbR)

ESRS S2 Workers in the value chain

DR	Requirement	Reference
SBM-2	Interests and views of stakeholders	Workers in the value chain – Policies Workers in the value chain – Actions and resources
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Workers in the value chain – Material impacts, risks and opportunities
S2-1	Policies related to value chain workers	Workers in the value chain – Policies
S2-2	Processes for engaging with value chain workers about impacts	Workers in the value chain – Actions and resources Stakeholder engagement – Supplier engagement (IbR)
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Workers in the value chain – Actions and resources Stakeholder engagement – Supplier engagement (IbR) Business ethics – Speaking up (IbR)
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Workers in the value chain – Actions and resources Stakeholder engagement – Supplier engagement (IbR)
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Workers in the value chain – Metrics and targets

ESRS S4 Consumers and end-users

DR	Requirement	Reference
SBM-2	Interests and views of stakeholders	Consumers and end-users – Policies Consumers and end-users – Actions and resources
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Consumers and end-users – Material impacts, risks and opportunities
S4-1	Policies related to consumers and end-users	Consumers and end-users – Policies
S4-2	Processes for engaging with consumers and end-users about impacts	Consumers and end-users – Actions and resources



S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Consumers and end-users – Actions and resources Business ethics – Speaking up (IbR)
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Consumers and end-users – Actions and resources People – Nutrition and health (IbR)
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Consumers and end-users – Actions and resources Business ethics – Speaking up (IbR)

ESRS G1 Business Conduct

DR	Requirement	Reference
GOV-1	The role of the administrative, management and supervisory bodies	Governance & Risk Management – Governance
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Sustainability Statements – Materiality assessment process
G1-1	Corporate culture and business conduct policies and corporate culture	Business conduct – Policies Business ethics – Code of Business Ethics (IbR)
G1-2	Management of relationships with suppliers	Stakeholder engagement – Our Suppliers (IbR)
G1-3	Prevention and detection of corruption and bribery	Business ethics – Identifying and managing bribery and corruption risks (IbR)
G1-4	Confirmed incidents of corruption or bribery	Business ethics – SpeakUp reports (IbR)
G1-5	Political influence and lobbying activities	Business conduct – Political influence and lobbying
G1-6	Payment practices	Business conduct – Payment practices



ESRS datapoints derived from other EU legislation

DR	Related datapoint	Paragraph	SFDR	Pillar 3	Benchmark Regulation	Climate law	Location
GOV-1	Board's gender diversity	21 (d)			●		Governance & Risk Management - Overview of the Board of Directors
GOV-1	Percentage of board members who are independent	21 (e)			●		General Information - Governance
SBM-1	Involvement in activities related to fossil fuel activities	40 (d) i			●		Not material
SBM-1	Involvement in activities related to chemical production	40 (d) ii			●		Not material
SBM-1	Involvement in activities related to controversial weapons	40 (d) iii			●		Not material
SBM-1	Involvement in activities related to cultivation and production of tobacco	40 (d) iv			●		Not material
GOV-4	Statement on due diligence	30					Basis of preparation - Statement on due diligence
E1-1	Transition plan to reach climate neutrality by 2050	14				●	Climate Change - Strategy
E1-1	Undertakings excluded from Paris-aligned Benchmarks	16 (g)		●	●		Climate Change - Strategy
E1-4	GHG emission reduction targets	34	●	●	●		Climate Change - Metrics and targets
E1-5	Energy consumption from fossil sources disaggregated by sources	38	●				Climate Change - Energy
E1-5	Energy consumption and mix	37	●				Climate Change - Energy
E1-5	Energy intensity associated with activities in high climate impact sectors	s 40 to 43	●				Climate Change - Energy
E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	44	●	●	●		Climate Change - Greenhouse gas emissions
E1-6	Gross GHG emissions intensity	s 53 to 55	●	●	●		Climate Change - Greenhouse gas emissions
E1-7	GHG removals and carbon credits	56				●	Climate Change - Carbon credits and carbon pricing
E1-9	Exposure of the benchmark portfolio to climate-related physical risks	66			●		Not material
E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	66 (a)		●			Not material
E1-9	Location of significant assets at material physical risk	66 (c).		●			Not material
E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	67 (c).		●			Not material
E1-9	Degree of exposure of the portfolio to climate- related opportunities	69			●		Not material
E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil,	28	●				Pollution - Pollution of air, water and soil
E3-1	Water and marine resources	9	●				Water and marine resources - Policies
E3-1	Dedicated policy	13	●				Water and marine resources - Policies
E3-1	Sustainable oceans and seas	14	●				Not material
E3-4	Total water recycled and reused	28 (c)	●				Not material
E3-4	Total water consumption in m3 per net revenue on own operations	29	●				Water and marine resources - Water use
IRO 1 - E4		16 (a) i	●				Not material
IRO 1 - E4		16 (b)	●				Not material
IRO 1 - E4		16 (c)	●				Not material
E4-2	Sustainable land / agriculture practices or policies	24 (b)	●				Not material
E4-2	Sustainable oceans / seas practices or policies	24 (c)	●				Not material
E4-2	Policies to address deforestation	24 (d)	●				Not material
E5-5	Non-recycled waste	37 (d)	●				Resource use and circular economy



E5-5	Hazardous waste and radioactive waste	39	●		Resource use and circular economy
SBM3 – S1	Risk of incidents of forced labour	14 (f)	●		Social information – Own workforce – Human rights
SBM3 – S1	Risk of incidents of child labour	14 (g)	●		Social information – Own workforce – Human rights
S1-1	Human rights policy commitments	20	●		Own workforce – Policies
S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	21		●	Own workforce – Policies
S1-1	processes and measures for preventing trafficking in human beings	22	●		Own workforce – Policies
S1-1	workplace accident prevention policy or management system	23	●		Own workforce – Policies
S1-3	grievance/complaints handling mechanisms	32 (c)	●		Business ethics – Speaking Up
S1-14	Number of fatalities and number and rate of work-related accidents	88 (b) and (c)	●	●	Own workforce – Safety and health
S1-14	Number of days lost to injuries, accidents, fatalities or illness	88 (e)	●		Own workforce – Safety and health
S1-16	Unadjusted gender pay gap	97 (a)	●	●	Own workforce – Compensation-related metrics
S1-16	Excessive CEO pay ratio	97 (b)	●		Own workforce – Compensation-related metrics
S1-17	Incidents of discrimination	103 (a)	●		Own workforce – Human rights
S1-17	Non-respect of UNGPs on Business and Human Rights and OECD	104 (a)	●	●	Own workforce – Human rights
SBM3 – S2	Significant risk of child labour or forced labour in the value chain	11 (b)	●		Workers in the value chain – Impacts, risks, and opportunity management
S2-1	Human rights policy commitments	17	●		Workers in the value chain – Policies
S2-1	Policies related to value chain workers	18	●		Workers in the value chain – Policies
S2-1	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	19	●	●	Workers in the value chain – Policies
S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	19	●		Workers in the value chain – Actions and resources
S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	36	●		Workers in the value chain – Actions and resources
S3-1	Human rights policy commitments	16	●		Not material
S3-1	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	17	●	●	Not material
S3-4	Human rights issues and incidents	36	●		Not material
S4-1	Policies related to consumers and end-users	16	●		Consumers and end-users – Policies
S4-1	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	17	●	●	Not material
S4-4	Human rights issues and incidents	35	●	●	Not material
G1-1	United Nations Convention against Corruption	10 (b)			Business conduct – Policies
G1-1	Protection of whistle-blowers	10 (d)	●		Business conduct – Policies
G1-4	Fines for violation of anti-corruption and anti-bribery laws	24 (a)	●	●	Business conduct – Incidents of corruption and bribery
G1-4	Standards of anti-corruption and anti-bribery	24 (b)	●		Business conduct – Incidents of corruption and bribery



Other environmental information

	2024	2023
Fines (in €)	47,600	259,000
Non-monetary sanctions	7	13



Assurance report of the independent auditor

To the General Meeting and the Board of Directors of DSM-Firmenich AG

Assurance report on the sustainability statements 2024 included in the Integrated Annual Report

Our conclusion and opinion

We have performed a limited assurance engagement on the consolidated sustainability statements for 2024 of DSM-Firmenich AG based in Kaiseraugst (hereinafter: 'the Company') in section Sustainability Statements of the accompanying management report including the information incorporated in the sustainability statements by reference (hereinafter: 'the sustainability statements').

Based on the procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statements are not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS; and
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Furthermore, we have performed a reasonable assurance engagement on the scope 1, 2 and 3 GHG emissions, employee engagement indicators and the TRIR (hereinafter: 'reasonable assurance indicators'). The reasonable assurance indicators are included in the sections 'Environmental information' on page 168, and in the 'Social information' on page

180 in the sustainability statements and marked with a ^[RA].

In our opinion, the reasonable assurance indicators in the sustainability statements are prepared, in all material respects in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission.

Basis for our conclusion and opinion

We performed our limited assurance engagement on the sustainability statements and the reasonable assurance engagement on the reasonable assurance indicators, in accordance with Dutch law, including Dutch Standard 3000A 'Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten) (assurance engagements other than audits or reviews of historical financial information (attestation engagements)). Our responsibilities under this standard are further described in the section 'Our responsibilities for the assurance engagement on the sustainability statements' section of our report.

We are independent of the Company in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags-

en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion and opinion.

Emphasis of matters on the sustainability statements

Emphasis on the context of the new sustainability reporting standards

We draw attention to section 'General information', more specifically, the paragraph 'Mandatory reporting requirements' of the sustainability statements. This disclosure sets out that the sustainability statements have been prepared in a context of new sustainability reporting standards requiring entity-specific and interpretations and addressing inherent measurement or evaluation uncertainties.

Emphasis on the most significant uncertainties affecting the quantitative metrics and monetary amounts

We draw attention to section 'General information', more specifically, the paragraph 'Judgements and estimates' that identifies the quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty and discloses information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.



The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Emphasis on the double materiality assessment process

We draw attention to section ‘General information’, more specifically, the paragraph ‘Materiality assessment process’ in the sustainability statements. This disclosure explains future improvements in the ongoing due diligence and double materiality assessment process, including robust engagement with affected stakeholders. Due diligence is an on-going practice that responds to and may trigger changes in the company’s strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion and opinion are not modified in respect to these matters.

Limitations to the scope of our assurance engagement

Assurance has been provided on the sustainability information reported in the prior year Integrated Annual Report, however, not in the context of the new sustainability reporting standards (ESRS). Consequently, the corresponding sustainability information and thereto related disclosures for the year 2023 have not been subject to assurance procedures in the context of the ESRS.

In reporting forward-looking information in accordance with the ESRS, the Management Board of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

The references to external sources or websites in the sustainability information are not part of the sustainability information as included in the scope of our assurance engagement. We therefore do not provide assurance on this information.

Our conclusion and opinion are not modified in respect to these matters.

Description of responsibilities regarding the sustainability statements

Responsibilities of the Executive Committee and the Board of Directors for the sustainability statements

The Executive Committee is responsible for the preparation of the sustainability statements in accordance with the ESRS, including the double materiality assessment process carried out by the Company as the basis for the sustainability statements and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statements, the Executive Committee is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation). The Executive Committee is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the company’s sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, the Executive Committee is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statements that is free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the Company.

Our responsibilities for the assurance engagement on the sustainability statements

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion and opinion.

Our assurance engagement on the sustainability statements is aimed to obtain a limited level of assurance to determine the plausibility of the sustainability information and the sustainability statements. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

Our assurance engagement on the reasonable assurance indicators has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material misstatements, whether due to fraud or error.

A further description of our responsibilities for the assurance engagement on the sustainability statements is included in the appendix of this assurance report. This description forms part of our assurance report.

Amstelveen, February 27, 2025

KPMG Accountants N.V.

P.J. Groenland-van der Linden, RA



Appendix

Description of our responsibilities for the assurance engagement on the sustainability statements

We apply the quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (regulations for quality management) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statements and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.
- Obtaining through inquiries a general understanding of the internal control environment, the Company’s processes for gathering and reporting entity-related and value chain information, the information systems and the Company’s risk assessment process relevant to the preparation of the sustainability statements and for identifying the Company’s activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance evidence about the implementation, or testing the operating effectiveness, of controls.
- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statements, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or

unbalanced information or material misstatements, whether due to fraud or error, are likely to arise (‘selected disclosures’). We designed and performed further assurance procedures aimed at assessing that the sustainability statements are free from material misstatements responsive to this risk analysis.

- Considering whether the description of the double materiality assessment process in the sustainability statements made by the Executive Committee appears consistent with the process carried out by the Company.
- Determining the nature and extent of the procedures to be performed both centrally and at component level. For this, the nature, extent and/or risk profile of these components are decisive.
- Based on our professional judgement we determined materiality levels for each relevant part of the sustainability statement. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.
- Performing analytical review procedures on quantitative information in the sustainability statements, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the Company’s methods for developing estimates are appropriate and have been consistently applied for

selected disclosures. We considered data and trends, however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management’s estimates.

- Determining the nature and extent of the review procedures for the group components and locations. For this, we considered the nature, extent, risk profile, as well as a rotation schedule to select the locations to visit. Based thereon we selected the locations to visit. The visits to production sites in China, India, Switzerland, France, the Netherlands, Germany and the United States were aimed at, on a component level, validating source data and evaluating the design and implementation of controls and validation procedures.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the Annual Report to identify material inconsistencies, if any, with the sustainability statements.
- Considering whether:
 - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the



- underlying records of the company and are consistent or coherent with the sustainability statements
- the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
- the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 , and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented;

- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statements, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation); and
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statements as a whole, are free from material misstatements and prepared in accordance with the ESRS.

Additionally, our reasonable assurance engagement included, among others:

- Obtaining an understanding of internal control relevant to the reasonable assurance indicators in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Instructing and evaluating the procedures performed by the Company's Group Audit department; and
- Designing and performing further assurance procedures on the data supporting the specified reasonable assurance indicators, such as sampling and validating data with appropriate supporting evidence.



A photograph of a person diving into the ocean. The person is upside down, with their head near the water surface and their feet pointing towards the top of the frame. The water is a deep blue color, and the sky is a clear, light blue. The person's skin is wet and glistening. The text "Consolidated Financial Statements" is overlaid on the left side of the image in a white, sans-serif font.

Consolidated Financial Statements

Consolidated Financial Statements

The financial statements of dsm-firmenich include both the Consolidated Financial Statements and the Parent Company Financial Statements.

The Group's parent company, DSM-Firmenich AG, is domiciled in Kaiseraugst (Switzerland) and listed on the Euronext Amsterdam stock exchange. The following Consolidated Financial Statements comprise DSM-Firmenich AG and its subsidiaries (the 'Group') and are prepared in accordance with IFRS. See also [Note 1 General information](#).

A list of the Group's main participations can be found in [Note 3 Investments](#) to the Parent Company Financial Statements. The financial year 2024 covers the period from 1 January 2024 to 31 December 2024. The Board of Directors of DSM-Firmenich AG approved these statements for issue on 27 February 2025 and they are subject to the approval of the Annual General Meeting on 6 May 2025.

The accompanying notes are an integral part of these Consolidated Financial Statements.

See [Note 2 Alternative performance measures](#) for the reconciliation to Adjusted EBITDA of €2,118 million (2023: €1,443 million) and other non-IFRS performance measures.

Consolidated income statement

x € million	Notes	2024	2023
Continuing operations			
Net sales	5	12,799	10,627
Cost of sales	5	(8,554)	(8,016)
Gross profit			
Marketing & Sales	5	(1,801)	(1,512)
Research & Development	5	(888)	(652)
General & Administrative	5	(1,038)	(1,015)
Other operating income	5	113	188
Other operating expense	5	(70)	(117)
Operating profit (loss)			
Finance income	6	91	133
Finance expense	6	(225)	(283)
Profit (loss) before tax			
Income tax expense	7	(147)	18
Share of net profit of associates and joint ventures	10	(5)	(6)
Other results related to associates and joint ventures	10	5	(1)
Net profit (loss) from continuing operations			
Net profit from discontinued operations	3	-	2,789
Net profit for the period			
Attributable to:			
- Holders of shares parent company	16	250	2,131
- Non-controlling interests	17	30	16
- Dividend on cumulative preference shares	16	-	6
Earnings per share (EPS) total (in €):			
- Basic EPS	2	0.94	9.14
- Diluted EPS		0.94	9.13
Earnings per share (EPS) continuing operations (in €):			
- Basic EPS	2	0.94	(2.82)
- Diluted EPS		0.94	(2.82)



Consolidated statement of comprehensive income

x € million	Notes	2024	2023
Net profit for the period		280	2,153
Other comprehensive income			
Remeasurements of defined benefit liability	24	10	(94)
Fair value changes in other participating interests and other financial instruments	11	13	(65)
Related tax		(5)	22
Items that will not be reclassified to profit or loss		18	(137)
Exchange differences on translation of foreign operations	16		
- Change for the period		179	135
- Reclassified to the income statement on loss of significant influence		10	6
Hedging reserve – cash flow hedges	16		
- Change for the period		(40)	34
- Reclassified to the income statement		-	(7)
Equity accounted investees – share of other comprehensive income		-	-
Related tax		6	(1)
Items that may subsequently be reclassified to profit or loss		155	167
Total other comprehensive income		173	30
Total comprehensive income for the period, net of tax		453	2,183
Attributable to:			
- Holders of shares parent company	16	418	2,176
- Non-controlling interests	17	35	7



Consolidated balance sheet at 31 December 2024

x € million	Notes	2024	2023
Assets			
Goodwill and intangible assets	8	18,078	18,738
Property, plant and equipment	9	5,725	5,549
Deferred tax assets	7	299	228
Prepaid pension costs	24	62	44
Share in associates and joint ventures	10	342	130
Derivatives	23	51	46
Other non-current assets	11	391	691
Non-current assets		24,948	25,426
Inventories	12	3,290	3,390
Trade receivables	13	2,589	2,553
Income tax receivables	13	51	107
Other current receivables	13	129	183
Derivatives	23	23	42
Financial investments	14	50	107
Cash and cash equivalents	15	2,667	2,456
Assets held for sale	3	-	6
Current assets		8,799	8,844
Total assets		33,747	34,270
Equity and liabilities			
Shareholders' equity		22,511	22,908
Non-controlling interests	17	186	162
Equity	16	22,697	23,070
Deferred tax liabilities	7	1,556	1,751
Employee benefit liabilities	24	487	520
Provisions	18	87	142
Borrowings	19	4,444	4,114
Derivatives	23	7	8
Other non-current liabilities	20	109	146
Non-current liabilities		6,690	6,681
Employee benefit liabilities	24	62	49
Provisions	18	77	34
Borrowings	19	836	716
Derivatives	23	60	28
Trade payables ¹	21	2,276	2,174
Income tax payables	21	223	177
Other current liabilities ¹	21	826	1,333
Liabilities held for sale	3	-	8
Current liabilities		4,360	4,519
Total equity and liabilities		33,747	34,270

¹ 2023 figure restated for comparative purposes

Consolidated statement of changes in equity

x € million	Share capital	Share premium	Treasury shares (incl. forward contracts)	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total Equity
Balance at 1 January 2023	328	471	(196)	363	9,777	10,743	102	10,845
Net profit for the period	-	-	-	-	2,137	2,137	16	2,153
Other comprehensive income	-	-	-	116	(77)	39	(9)	30
Total comprehensive income	-	-	-	116	2,060	2,176	7	2,183
Dividend	-	(425)	-	-	(157)	(582)	-	(582)
Stock options / share units granted	-	-	-	23	-	23	-	23
Stock options / share units vested / canceled	-	-	-	(23)	23	-	-	-
Reissued shares	-	-	63	-	(39)	24	-	24
Repurchase of shares	-	-	(256)	-	-	(256)	-	(256)
Cancellation of shares	(67)	(2)	345	-	(276)	-	-	-
Liability to non-tendered shareholders DSM N.V.	(10)	(42)	-	-	(597)	(649)	-	(649)
Issued new shares (including swap DSM N.V. into DSM-Firmenich AG)	(248)	11,758	-	-	-	11,510	-	11,510
Expenditures issuance new shares	-	(29)	-	-	-	(29)	-	(29)
Acquisition of subsidiary with NCI	-	-	-	-	-	-	48	48
Divestment of subsidiary with NCI	-	-	-	-	-	-	(4)	(4)
Remuneration on deeply subordinated fixed rate resettable perpetual notes	-	-	-	-	(28)	(28)	-	(28)
Transfer	-	-	-	(5)	(4)	(9)	9	-
Other changes	-	-	-	-	(15)	(15)	-	(15)
Balance at 31 December 2023	3	11,731	(44)	474	10,744	22,908	162	23,070
Net profit for the period	-	-	-	-	250	250	30	280
Other comprehensive income	-	-	-	161	7	168	5	173
Total comprehensive income	-	-	-	161	257	418	35	453
Dividend	-	(414)	-	-	(246)	(660)	(7)	(667)
Stock options and share units granted	-	-	-	31	-	31	-	31
Stock options and share units vested / canceled	-	-	-	(26)	26	-	-	-
Reissued shares	-	-	54	-	(33)	21	-	21
Repurchase of shares	-	-	(52)	-	-	(52)	-	(52)
Forward contracts to repurchase shares	-	-	(105)	-	-	(105)	-	(105)
Expenditures issuance new shares (in 2023)	-	(4)	-	-	-	(4)	-	(4)
Acquisition of subsidiary with NCI	-	-	-	-	-	-	-	-
Divestment/deconsolidation of subsidiary with NCI	-	-	-	-	-	-	(17)	(17)
Remuneration on deeply subordinated fixed rate resettable perpetual notes	-	-	-	-	(28)	(28)	-	(28)
Transfer	-	-	-	70	(89)	(19)	19	-
Other changes	-	-	-	-	1	1	(6)	(5)
Balance at 31 December 2024	3	11,313	(147)	710	10,632	22,511	186	22,697

See also [Note 16 Equity](#).

Consolidated cash flow statement

x € million	2024	2023
Operating activities		
Net profit (loss) from continuing operations	280	(636)
Net profit from discontinued operations	-	2,789
Net profit for the period	280	2,153
Share of profit of associates and joint ventures (including discontinued operations) ¹	-	7
Income tax expenses (including discontinued operations) ¹	147	19
Profit before tax (including discontinued operations)¹	427	2,179
Finance income and expense (including discontinued operations) ¹	134	151
Operating profit (including discontinued operations)¹	561	2,330
Depreciation, amortization and impairments (including discontinued operations) ¹	1,430	1,307
EBITDA (including discontinued operations)¹	1,991	3,637
- (Gain) or loss from disposals	(47)	(2,845)
- Acquisition- / divestment-related	-	171
- Changes in provisions	(47)	33
- Changes in employee benefits	(42)	(51)
- Share-based compensation	31	23
- Income taxes paid / received	(275)	(179)
- Other non-cash items	(31)	316
Operating cash flow before changes in working capital	1,580	1,105
Changes in:		
Inventories	(38)	89
Trade receivables	(18)	49
Trade payables	97	126
Changes in operating working capital	41	264
Changes in non-operating working capital	157	(104)
Changes in working capital	198	160
Cash provided by operating activities	1,778	1,265

1. The Consolidated cash flow statement includes an analysis of all cash flows in total, therefore including both continuing and discontinued operations. For the amounts related to discontinued operations split by activities and a reconciliation of profit from continuing operations to total, including discontinued operations, see [Note 3 Change in the scope of the consolidation](#).

See also [Note 26 Notes to the cash flow statement](#).

x € million	2024	2023
Cash provided by operating activities	1,778	1,265
Investing activities		
Capital expenditure for intangible assets	(119)	(129)
Capital expenditure for property, plant and equipment	(645)	(555)
Proceeds from disposal of property, plant and equipment	19	16
Payments regarding drawing rights	-	(8)
Acquisition of businesses	(5)	(3,691)
Disposal of businesses	42	3,533
Payments for short-term financial investments	-	(150)
Proceeds from short-term financial investments	43	195
Other financial assets (incl. associates):		
- Dividends received	14	10
- Capital payments and acquisitions	(8)	(15)
- Proceeds from disposals	397	10
- Additions to loans granted	(81)	(35)
- Repayment of loans granted	58	33
Interest received	33	60
Cash from / (used in) investing activities	(252)	(726)
Financing activities		
Contributions from non-controlling interests	-	-
Acquisition of non-controlling interests	(26)	1
Proceeds from borrowings	833	15
Repayment of borrowings	(623)	(549)
Payments of lease liabilities	(110)	(73)
Change in debt to credit institutions	38	(7)
Proceeds from re-issued treasury shares	21	24
Proceeds from issuing new shares	-	733
Repurchase of shares	(706)	(256)
Remuneration on deeply subordinated fixed rate resettable perpetual notes	(28)	(28)
Dividend paid	(667)	(582)
Interest paid	(67)	(61)
Other	1	(37)
Cash (used in) / from financing activities	(1,334)	(820)
Cash and cash equivalents at the beginning of the period	2,456	2,755
Net increase / (decrease) in cash and cash equivalents	192	(281)
Effect of movements in exchange rates on cash held	19	(18)
Cash and cash equivalents at the end of the period	2,667	2,456



An underwater photograph showing a diver in the lower-left corner, surrounded by a massive, dense school of fish that fills most of the frame. The water is a deep blue color.

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1. General information

Basis of preparation

The Group's Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Swiss law.

The comparative numbers included in these Consolidated Financial Statements include the results of Firmenich AG as of the merger date 8 May 2023.

In the following notes all amounts are shown in millions of euros (€), unless otherwise stated.

Changes in accounting policies

With effect from 1 January 2024, dsm-firmenich has applied the amendments, as stipulated in Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7), which requires additional disclosures about its supplier finance arrangements. See also [Note 21 Current liabilities](#) for the corresponding disclosures.

On 9 April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 Presentation and Disclosure in Financial Statements, which becomes effective from 1 January 2027. IFRS 18 includes requirements on the presentation of new defined subtotals in the consolidated income statement, the disclosure of management-defined performance measures, and enhanced requirements for the aggregation and disaggregation of information. While dsm-firmenich has started to perform preliminary impact assessments, it is too early to elaborate on the impact of IFRS 18 on the Group's Consolidated Financial Statements.

Other new or amended standards that are effective from 1 January 2024 do not have a material effect on dsm-firmenich's Consolidated Financial Statements. In addition, other new or amended standards effective after 1 January 2025 were neither adopted early, nor expected to have significant impact.

Group material accounting policies

The below information outlines the general Group material accounting policies. Other specific material accounting policies that management considers to be the most important for the presentation of the financial position and results of dsm-firmenich's operations are included in the relevant notes and applied throughout the Consolidated Financial Statements.

Principles of consolidation

As a parent company, DSM-Firmenich AG is exposed, or has a right, to the variable returns from its involvement with its subsidiaries and has the ability to affect the returns through its power over the subsidiaries. The financial data of subsidiaries are fully consolidated. Non-controlling interests in the Group's equity and profit and loss are stated separately. Subsidiaries are consolidated from the acquisition date until the date on which dsm-firmenich ceases to have control. From the acquisition date onwards, all intra-group balances and transactions and unrealized profits or losses from intra-group transactions are eliminated.

A joint arrangement is an entity in which dsm-firmenich holds an interest and which is jointly controlled by dsm-firmenich and one or more

other venturers under a contractual arrangement. A joint arrangement can either be a joint venture whereby dsm-firmenich and the other partner(s) have rights to the net assets of the arrangement, or a joint operation where dsm-firmenich and the partner(s) have rights to the assets and obligations for the liabilities of the arrangement. For joint ventures, the investment in the net assets is recognized and accounted for in accordance with the equity method, see also [Note 10 Associates and joint arrangements](#). For a joint operation, assets, liabilities, revenues, and expenses are recognized in the financial statements of dsm-firmenich in accordance with the contractual entitlement or obligations of dsm-firmenich.

Foreign currencies

The Group's presentation currency is the euro (€), which is also the parent company's functional currency.

Each entity of the Group records transactions and balance sheet items in its functional currency. Transactions denominated in a currency other than the functional currency are recorded at the spot exchange rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in a currency other than the functional currency of the entity are translated at the closing rates. Exchange differences resulting from the settlement of these transactions and from the translation of monetary items are recognized in the income statement. Non-monetary items that are measured on the basis of historical costs denominated in a currency other than the functional currency continue to be translated



against the rate at initial recognition and will not result in exchange differences.

On consolidation, the balance sheets of subsidiaries that do not have the euro as their functional currency are translated into euros at the closing rate. The income statements of these entities are translated into euros at the average rates for the relevant period. The functional currency in which goodwill paid on acquisition is recorded is based on the business case underlying the corresponding business combination. Exchange differences arising from the translation of the net investment in entities with a functional currency other than the euro are recorded in Other comprehensive income. The same applies to exchange differences arising from borrowings and other financial instruments insofar as those instruments hedge the currency risk related to the net investment.

On disposal of an entity with a functional currency other than the euro, the cumulative exchange differences relating to the translation of the net investment are recognized in profit or loss.

The currency exchange rates that were used in preparing the Consolidated Financial Statements are listed below for the most important currencies.

1 euro =	Exchange rate at 31 December		Average exchange rate	
	2024	2023	2024	2023
US dollar	1.04	1.11	1.08	1.08
Swiss franc	0.94	0.93	0.95	0.97
Brazilian real	6.43	5.36	5.83	5.40
Chinese renminbi	7.58	7.85	7.79	7.66

Emission rights

dsm-firmenich is subject to legislation encouraging reductions in greenhouse gas emissions and has been awarded emission rights (principally CO₂ emission rights) in a number of jurisdictions. Emission rights are reserved for meeting delivery obligations and are recognized at cost. Income is recognized when surplus emission rights are sold to third parties. When actual emissions exceed the emission rights available to dsm-firmenich, a liability is recognized for the expected additional costs.

Significant accounting estimates and judgments

The preparation of the Consolidated Financial Statements requires management to make estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses, disclosure of contingent assets and liabilities at the date of the financial statements. Actual outcomes could differ from those estimates. The estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Furthermore, the application of the Group's accounting policies may require management to make judgments, apart from those involving estimates, that can have a significant effect on the amounts recognized in the financial statements. Areas of management estimates and judgments that have the most significant effect on the amounts recognized in the financial statements are disclosed along with

the material accounting policies in the relevant notes.

Presentation of Consolidated income statement

dsm-firmenich presents expenses in the Consolidated income statement in accordance with their function. This allows the presentation of gross profit on the face of the income statement, which is a widely used performance measure in the industry. The composition of the costs allocated to the individual functions is explained below.

Cost of sales encompasses all manufacturing costs (including raw materials, employee benefits, and depreciation and amortization) related to goods and services captured in net sales. These are measured at their actual cost based on weighted average cost, or FIFO.

Marketing & Sales relates to the selling and marketing of goods and services, and also includes all costs that are directly related to the sale of goods, but are not originated by the manufacturing of the goods (e.g., outbound freight).

Research & Development consists of:

- Research, which is defined as original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding
- Development, which is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of

commercial production or use that do not meet the accounting requirements for capitalization

General & Administrative relates to the strategic and governance role of the general management of the company as well as the representation of dsm-firmenich as a whole in the financial, political, or business community. It also relates to business support activities of staff departments that are not directly related to the other functional areas.



2. Alternative performance measures

Accounting policy

In monitoring the financial performance of dsm-firmenich, management uses certain Alternative performance measures (APMs) not defined by IFRS. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

APM adjustments

To arrive at these APMs, adjustments are made (i.e., APM adjustments) for material items of income and expense arising from circumstances such as acquisitions, divestments, restructuring, impairments, and other events. Other APM-adjusting events include site closure costs, environmental cleaning, litigation settlements, or other non-operational (contractual) arrangements. Except for items related to acquisitions, business divestments (as of 2024, including book results), and integration costs incurred from the transaction date (including non-recurring inventory value adjustments) as well as adjustments due to previously recognized APM adjusting events, the threshold for APM adjustments is €10 million.

Estimates and judgments

Significant judgment in using APMs relates to the identification of material items in the consolidated income statement as 'APM adjustments'.

Definitions

- **Earnings before interest, tax, depreciation and amortization (EBITDA)** is the IFRS metric operating profit, with depreciation, amortization, and impairments added back
- **Adjusted earnings before interest, tax, depreciation and amortization (Adj. EBITDA)** is EBITDA adjusted for material items of profit or loss, as defined under 'APM adjustments'
- **Adjusted operating profit (Adj. EBIT)** is the IFRS metric operating profit adjusted for material items of profit or loss, as defined under 'APM adjustments'
- **Core adjusted EBIT (Core adj. EBIT)** is calculated as the IFRS metric operating profit adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA)
- **Adjusted net profit (Adj. net profit)** is the IFRS metric net profit adjusted for material items of profit or loss, as defined under 'APM adjustments'
- **Core adjusted net profit (Core adj. net profit)** is the IFRS metric net profit from continuing operations adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA)
- **Adjusted gross operating free cash flow (AGOF CF)** is defined as the IFRS metric operating profit plus depreciation, amortization, and impairments, adjusted for material items of profit or loss, as defined under 'APM adjustments', adjusted for intrinsic changes in the working capital, minus capital expenditures. This metric is based on continuing operations
- **Adjusted earnings per share (Adj. EPS)** is calculated as the net profit available to holders of ordinary shares adjusted for material items of profit or loss, as defined under 'APM adjustments', divided by the average of ordinary shares outstanding
- **Core adjusted earnings per share (Core adj. EPS)** is calculated as the net profit from continuing operations available to holders of ordinary shares adjusted for material items of profit or loss, as defined under 'APM adjustments', and adjusted for the impact of the Firmenich purchase price allocation (PPA), divided by the average of ordinary shares outstanding
- **Capital employed** is the total of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables, other current liabilities, investment grants and customer funding. Average capital employed is calculated as the average of the capital employed at the end of the preceding five quarters, including the current quarter



APM adjustments

APM adjustments mainly impact the EBITDA, operating profit, net profit, and EPS and can be specified as per the table on the right.

2024

The main APM adjustments in 2024 were:

- Book result of divestments of €63 million mainly relates to €93 million on the divestment of the Yeast Extract business (excluding the impairment on the manufacturing facility of €73 million), partly offset by smaller divestment losses
- Acquisition (merger), divestment, and integration costs of €103 million relate mainly to the further integration between DSM and Firmenich, the preparation for the carve-out of the ANH business, the sale of the Jiangshan vitamin C business, the divestment of the Yeast Extract business and the deconsolidation of Olatein
- Restructuring costs of €45 million relates to various restructuring programs within dsm-firmenich, including the vitamin transformation program and the additional costs following the closure of the Pinova ingredients plant
- Impairments of PPE, goodwill and intangible assets of €238 million are mainly related to the intangible assets of €54 million concerning specific molecule technologies, for which the supply rights were transferred, to the impairment of the Marine Lipids business of €74 million, and the manufacturing facility of €73 million, following the divestment of the Yeast Extract business; see also above

- Other costs of €42 million mainly relates to costs of litigation and claims

2023

The main APM adjustments were:

- Acquisition (merger) and divestment costs of €363 million relate mainly to the merger and integration between DSM and Firmenich, including the impact of the inventory step-up of €197 million, following the purchase price allocation of Firmenich
- Restructuring costs of €234 million relate mainly to restructuring projects, following the announced restructuring of the vitamin asset footprint, the closure of the Pinova ingredients plant, and restructuring costs following the merger
- Impairments of PPE, goodwill, and intangible assets of €294m are mainly related to the restructuring of our vitamin asset footprint. This includes the closure of the Xinghuo vitamin B6 plant in China and the refocusing of the company's vitamin C activities on its specialty Quali®-C from Dalry (UK) only.
- The production of vitamin C in Jiangshan, China, which had already been significantly reduced since the end of 2022, was completely shut down in mid-May. dsm-firmenich is committed to the sale of its vitamin C business in Jiangshan (China), and therefore classified end of 2023 the assets and liabilities as held for sale
- Other costs of €36 million and financial income and expense of €34 million mainly include the overnight devaluation of the Argentine peso by more than 50% at the inauguration of the new president, together with several litigation costs

APM Adjustments (continuing operations)

	2024	2023
APM Adjustments (continuing operations)		
- Book result of divestments	(63)	-
- Acquisition/divestment/integration costs	103	363
- Restructuring	45	234
- Other	42	36
- Impairments/(reversals) of PPE, goodwill, and intangible assets	238	294
- Financial income and expense	5	34
- Income tax related to adjustments	(45)	(135)
- Adjustments to result from associates and joint ventures	(4)	-
Total APM adjustments (income)/expense	321	826



Reconciliation Alternative performance measures (APMs) (continuing operations)

A reconciliation of the APMs to the most directly comparable IFRS measures can be found in the table Alternative performance measures (APMs) opposite.

Alternative performance measures (APMs)

	2024	2023
Operating profit (loss)	561	(497)
Depreciation, amortization and impairments	1,430	1,307
EBITDA	1,991	810
APM adjustments to EBITDA:		
- Acquisitions/divestments/integration	40	363
- Restructuring	45	234
- Other	42	36
Total APM adjustments to EBITDA	127	633
Adjusted EBITDA	2,118	1,443
Operating profit (loss)	561	(497)
APM adjustments to Operating profit:		
- APM adjustments to EBITDA	127	633
- Impairments/(reversals) of PPE and Intangible assets	238	294
Total APM adjustments to operating profit	365	927
Adjusted operating profit	926	430
PPA adjustments dsm-firmenich	287	184
Core adjusted EBIT	1,213	614
Net profit (loss) from continuing operations	280	(636)
APM adjustments to net profit from continuing operations:		
- Operating profit	365	927
- Financial income and expense	5	34
- Result relating to associates / joint ventures	(4)	-
Income tax related to APM adjustments	(45)	(135)
Total APM adjustments to net profit from continuing operations	321	826
Adjusted net profit from continuing operations	601	190
PPA adjustments dsm-firmenich	248	190
Core adjusted net profit from continuing operations	849	380
Profit attributable to non-controlling interests	(30)	(16)
Dividend on Cumulative Preference Shares	-	(6)
Core adjusted net profit continuing operations available to holders of ordinary shares	819	358
Adjusted net profit continuing operations available to holders of ordinary shares	571	168



Capital employed and adjusted gross operating free cash flow

	2024	2023
Capital employed		
Intangible assets	18,078	18,738
Property, plant and equipment	5,725	5,549
Investment grants and customer funding	(63)	(70)
Inventories	3,290	3,390
Current receivables	2,769	2,843
Current liabilities	(3,325)	(3,684)
Capital employed at 31 December	26,474	26,766
Average capital employed		
Capital employed at 1 January	26,766	10,660
Capital employed at 31 March	26,848	10,775
Capital employed at 30 June	26,648	26,954
Capital employed at 30 September	26,480	27,724
Capital employed at 31 December	26,474	26,766
Average capital employed	26,643	20,576
Adjusted EBITDA	2,118	1,441
Change working capital, total group	198	160
Capital expenditures, total group	(764)	(692)
Excluding discontinued operations	-	(53)
Adj. gross operating free cash flow	1,552	856

Earnings per share

	2024		2023	
	Continuing operations	Total	Continuing operations	Total
Earnings per share (EPS)				
Average number of ordinary shares outstanding (x million)	264.6	264.6	233.2	233.2
Effect of dilution (x million)	-	-	0.2	0.2
Diluted average number of ord. shares outstanding (x million)	264.6	264.6	233.4	233.4
In € million				
Net profit available to holders of ordinary shares	250	250	(658)	2,131
Adjusted net profit available to holders of ordinary shares	571	571	168	161
Core adj. net profit available to holders of ordinary shares	819	819	358	351
in €				
EPS	0.94	0.94	(2.82)	9.14
Diluted EPS	0.94	0.94	(2.82)	9.13
Adj. EPS	2.16	2.16	0.72	0.69
Diluted Adj. EPS	2.16	2.16	0.72	0.69
Core adj. EPS	3.10	3.10	1.54	1.51



3. Change in the scope of consolidation

Accounting policy

Business combinations

Business combinations are accounted for using the acquisition method from the moment control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred, including assets transferred, shares issued, and liabilities incurred, measured at acquisition date fair value. Acquisition-related costs incurred are expensed, except if related to the issue of debt or equity securities.

As of the acquisition date, identifiable assets acquired, liabilities assumed, and any non-controlling interest in the acquiree are recognized separately from goodwill. Identifiable assets acquired and the liabilities assumed are measured at acquisition date fair value. For each business combination, dsm-firmenich elects whether it measures the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any contingent consideration payable is measured at fair value at the acquisition date; subsequent changes in the fair value of the contingent consideration resulting from events after the acquisition date are recognized in profit or loss.

For business combinations with the acquisition date in the prior reporting period, comparative information is revised in case adjustments are made during the measurement period to the provisional amounts, determined as part of the purchase price allocation (PPA), based on information available at the acquisition date.

Non-current assets and disposal groups held sale

Non-current assets and disposal groups (assets and liabilities relating to an activity that is to be sold) are classified as 'held for sale' if their carrying amount is to be recovered principally through a sales transaction rather than through continuing use. The reclassification takes place when the assets are available for immediate sale and the sale is highly probable. These conditions are usually met as from the date on which a letter of intent or agreement to sell is ready for signing. Non-current assets and disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortized.

Discontinued operations

Discontinued operations comprise those activities that were disposed of during the period or which were classified as held for sale at the end of the period and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. Classification as a discontinued operation occurs when the operation meets the criteria to be classified as held for sale.

Estimates and judgments

Key estimates dsm-firmenich makes in the accounting for changes in the scope of consolidation relate to the determination of fair values for assets acquired and liabilities assumed in business combinations. These estimates are based on historical quoted

market prices and experience, and are validated by external valuation specialists, where deemed necessary by management.

Merger and acquisitions

In 2024, dsm-firmenich did not acquire any business (in 2023: €290 million consideration for acquisitions and €14,277 million related to the business combination of DSM and Firmenich).

In 2023, the business combination of DSM and Firmenich contributed €3,110 million to net sales, €312 million to operating result and €624 million to Adjusted EBITDA during the period from 8 May until 31 December 2023. If the merger had occurred on 1 January 2023, additional net sales would have been approximately €4,807 million, operating result €506 million and Adjusted EBITDA €958 million in 2023.

Finalization of the PPA related to the merger of equals between DSM and Firmenich

In the reporting year, the Purchase Price Allocation (PPA) related to the merger of equals between DSM and Firmenich in 2023 was finalized without any changes in relation to the purchase price allocation as disclosed in the annual report of 2023.

Finalization of Adare Biome PPA

The Purchase Price Allocation (PPA) related to the acquisition of Adare Biome in France in 2023 was finalized without any changes in relation to the purchase price allocation as disclosed in the annual report of 2023.



Divestments**Jiangshan**

At the end of 2023, dsm-firmenich committed to the sale of its vitamin C business in Jiangshan (China) and therefore classified the assets and liabilities as held for sale at the end of the reference year. On 8 March 2024, dsm-firmenich completed the sale and transfer of its 100% equity interest in DSM Jiangshan Pharmaceutical Co., Ltd. to Jingjiang Cosfocus Health Technology Co., Ltd. Besides the derecognition of the assets and liabilities held for sale, the liability that was recognized in 2023 toward the buyer was settled at closing of the transaction.

CanolaPRO®

On 15 February 2024, dsm-firmenich and Avril entered into an Implementation Agreement setting out certain amendments to the Olatein joint arrangement, leading to a change of dsm-firmenich's share from a controlling stake of 75% into a 50/50 joint-control partnership with Avril. As a consequence, dsm-firmenich has deconsolidated the CanolaPRO® business and accounts for its interest in Olatein as a joint venture applying the equity method. The fair value of the remaining share in the joint venture at the date when control was lost amounted to €30 million.

DRT-Anthea

On 10 December 2024, dsm-firmenich reduced its stake in the partnership DRT-Anthea in India from a controlling shareholding of 50% to a minority shareholding of 25%. As a consequence, dsm-firmenich has deconsolidated the DRT-Anthea business and accounts for its interest as an associate applying the equity method. The fair value of the remaining share in the associate at the date when control was lost amounted to €23 million.

dsm-firmenich performed a strategic review process and announced the outcome on 3 June 2024. As part of dsm-firmenich's tuning of its portfolio, the company de-prioritized certain business segments and decided to divest the yeast extract and MEG-3® fish oil businesses.

Marine lipids

On 30 September 2024, the company completed the divestment of its MEG-3® fish oil business to KD Pharma Group SA, a contract development and manufacturing organization (CDMO) active in pharmaceutical and nutritional lipids. As part of the transaction, dsm-firmenich has obtained a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH. The fish-oil business was part of the Business Unit Health, Nutrition & Care, and represented approximately €170 million sales in 2023, with approximately 200 employees who were transferred to KD Pharma.

Yeast extracts

On 1 October 2024, the company completed the divestment of its yeast extract business to Lesaffre, a key global player in fermentation and micro-organisms. Yeast extracts was part of dsm-firmenich's Business Unit Taste, Texture & Health, with annual sales of about €120 million. After the completion of the deal, dsm-firmenich will continue to supply yeast extracts produced in Delft to Lesaffre until the end of 2025, after which point the production of yeast extracts in Delft will be discontinued. Upon divestment, dsm-firmenich recognized a provision for onerous contracts and severance payments amounting to €50 million. See also [Note 18 Provisions](#).

As these businesses were not considered a major line of business, the results of these businesses (the 'disposal groups') were not reclassified to discontinued operations.



Summary of divestments in 2024

See the table on the right for the book result and the impact on the cash flow statement of the divestments and deconsolidations that took place in the reporting year.

	MEG-3 business (divestment)	Yeast extract business (divestment)	Jiangshan vitamin C (divestment)	Olatein (deconsolidation)	DRT-Anthea (deconsolidation)	Other	Total
Assets							
Goodwill and intangible assets	(40)	-	-	(43)	(15)	(1)	(99)
Property, plant and equipment	(64)	(73)	-	(50)	(23)	-	(210)
Other non-current assets	-	-	-	5	-	-	5
Inventories	(117)	(5)	1	(1)	(21)	-	(143)
Receivables and other current assets	(4)	-	(9)	13	(5)	-	(5)
Cash and cash equivalents	(10)	-	(3)	-	(8)	-	(21)
Total assets	(235)	(78)	(11)	(76)	(72)	(1)	(473)
Liabilities							
Provisions	-	50	-	-	3	-	53
Non-current liabilities	-	-	-	(42)	(3)	-	(45)
Current liabilities	(5)	8	(57)	(6)	(13)	-	(73)
Total liabilities	(5)	58	(57)	(48)	(13)	-	(65)
Net assets	(230)	(136)	46	(28)	(59)	(1)	(408)
Non-controlling interest	-	-	-	4	(19)	-	(15)
Net assets dsm-firmenich shareholders	(230)	(136)	46	(32)	(40)	(1)	(393)
Consideration (net of selling costs, translation differences and net debt)	156	157	(65)	9	48	7	312
Book result 2024	(74)	21	(19)	(23)	8	6	(81)
Income tax	5	(5)	-	(3)	(4)	(2)	(9)
Net book result	(69)	16	(19)	(26)	4	4	(90)
Impact on the cash flow statement							
Consideration (net of selling costs, translation differences and net debt)	156	157	(65)	9	48	7	312
Of which via an equity stake in target company	(159)	-	-	(30)	(23)	-	(212)
Of which deferred payments, non-cash and internal financing	(3)	(13)	14	21	-	(1)	18
Consideration in cash	(6)	144	(51)	-	25	6	118
Cash in divested company	(10)	-	(3)	-	(8)	-	(21)
Other divestment-related cash-in/(out)	-	-	-	-	(3)	(52)	(55)
Total cash-in/(out) related to disposals	(16)	144	(54)	-	14	(46)	42



Discontinued operations

In 2024, no business was classified as discontinued operations.

Assets and liabilities held for sale

End of 2024, dsm-firmenich is not committed to the sale of any of its businesses, and therefore has not classified assets and liabilities as held for sale.

Breakdown net profit into continuing and discontinued operations

	2024			2023		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Net sales	12,799	-	12,799	10,627	388	11,015
Adjusted EBITDA	2,118	-	2,118	1,443	(2)	1,441
EBITDA	1,991	-	1,991	810	2,827	3,637
Total expenses	12,238	-	12,238	11,124	(2,439)	8,685
Adjusted operating profit	926	-	926	430	(2)	428
Operating profit	561	-	561	(497)	2,827	2,330
Financial income and expense	(134)	-	(134)	(150)	(1)	(151)
Profit (loss) before income tax expense	427	-	427	(647)	2,826	2,179
Income tax expense	(147)	-	(147)	18	(37)	(19)
Results related to associates and joint ventures	-	-	-	(7)	-	(7)
Net profit (loss) for the year	280	-	280	(636)	2,789	2,153
Of which:						
- Attributable to non-controlling interests	30	-	30	16	-	16
- Dividend on Cumulative Preference Shares	-	-	-	6	-	6
- Available to holders of ordinary shares	250	-	250	(658)	2,789	2,131
Earnings per share (EPS)						
- Net basic EPS	0.94	-	0.94	(2.82)	11.96	9.14

Impact on cash flow statement (discontinued operations)

	2024	2023
Net cash provided by / (used in):		
- Operating activities	-	70
- Investing activities	-	3,517
Net change in cash and cash equivalents	-	3,587



4. Segment information

Accounting policy

dsm-firmenich has segmented its operations by business activity from which revenues are earned and expenses incurred.

These operating results are regularly reviewed by the Executive Committee (ExCo), dsm-firmenich's Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the operating segments and assess their performance. dsm-firmenich uses Adjusted EBITDA as the main indicator to evaluate the consolidated performance as well as the performance per operating segment. Discrete financial information is available for each identified operating segment.

The same accounting policies that are applied for the Consolidated Financial Statements of dsm-firmenich are also applied for the operating segments. Prices for transactions between segments are determined on an arm's length basis at market-based prices.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can reasonably and consistently be allocated. Interest income, interest expense, and income tax expense or income are not allocated to segments as these amounts are not included in the measure of segment profit or loss reviewed by the ExCo, or otherwise regularly provided to the ExCo. Selected information on a country and regional basis is provided in addition to the information about operating segments.

Operating segments

dsm-firmenich is organized into four distinct Business Units:

- **Perfumery & Beauty (P&B)** creates premium scents with proven benefits, using the best and largest palette of natural, synthetic, and biotech ingredients
- **Taste, Texture & Health (TTH)** helps customers create food and beverage products that are delicious, nutritious, affordable, and sustainable – providing enjoyment and nourishment for consumers, and better health for People and Planet
- **Health, Nutrition & Care (HNC)** provides people a way to look after their health by adding critical nutrients to their diets, driving medical innovation forward, speeding up recovery, and enhancing quality of life
- **Animal Nutrition & Health (ANH)** delivers healthy animal proteins efficiently and sustainably, harnessing power of data to make animal farming practices more sustainable, productive, and transparent

The Business Units are created with clear end-market orientation and large addressable markets. They are clustered in coherent product and market combinations with similar customers and distribution channels, and their operating results are regularly reviewed by the ExCo. Therefore, these Business Units have been identified as the reportable operating segments of dsm-firmenich.

Any consolidated activities outside the four reportable operating segments above are reported as the reportable segment 'Corporate Activities'. These consist of corporate operating and service activities that are not further allocated to the operating segments. dsm-firmenich does not have a single external customer that represents 10% or more of total sales.



Geographical information

	Switzer- land	Nether- lands	Rest of EMEA	North America	Latin America	China	Rest of Asia	Total
2024								
Net sales (by destination)								
In € millions	214	420	3,938	2,928	1,887	1,096	2,316	12,799
In %	2	3	30	23	15	9	18	100
Workforce at period-end (headcount)	3,734	1,776	8,134	4,155	3,565	3,365	3,485	28,214
Intangible assets and property, plant and equipment at year-end (carrying amount)	14,946	1,618	3,220	2,689	428	603	299	23,803
2023								
Net sales (by destination)								
In € millions	204	424	3,103	2,420	1,653	997	1,826	10,627
In %	2	4	29	23	16	9	17	100
Workforce at year-end (headcount)	3,647	1,783	7,953	4,264	3,617	4,664	3,373	29,301
Intangible assets and property, plant and equipment at year-end (carrying amount)	15,474	1,665	3,147	2,600	506	612	283	24,287

Reportable segments

	Perfumery & Beauty	Taste, Texture & Health	Health, Nutrition & Care	Animal Nutrition & Health	Corporate Activities	Total continuing operations	Discontinued operations	TOTAL
2024								
Net sales	3,964	3,245	2,214	3,324	52	12,799	-	12,799
Adjusted EBITDA ¹	882	615	371	343	(93)	2,118	-	2,118
EBITDA	877	671	353	301	(211)	1,991	-	1,991
Adjusted operating profit ¹	491	279	188	124	(156)	926	-	926
Operating profit	486	262	7	81	(275)	561	-	561
Capital expenditures	189	161	127	287	-	764	-	764
Adjusted EBITDA margin (in %)	22.3	19.0	16.8	10.3	-	16.5	-	16.5
2023								
Net sales	2,619	2,471	2,246	3,223	68	10,627	388	11,015
Adjusted EBITDA ¹	579	437	377	128	(78)	1,443	(2)	1,441
EBITDA	417	361	277 ²	48 ²	(293)	810	2,827	3,637
Adjusted operating profit ¹	317	169	158	(80)	(134)	430	(2)	428
Operating profit	154	93	(101) ²	(285) ²	(358)	(497)	2,827	2,330
Capital expenditures	112	86	129	252	121	700	5	705
Adjusted EBITDA margin (in %)	22.1	17.7	16.8	4.0	-	13.6	(0.5)	13.1

¹ See [Note 2 Alternative performance measures](#) for the reconciliation to IFRS performance measures.

² Restated for comparative purposes.



5. Net sales and costs

Accounting policy

Revenue from contracts with customers is recognized by identifying the contract and its performance obligations as well as by determining and allocating the transaction price to these performance obligations. Net sales represent the invoice value less estimated rebates, cash discounts, and indirect taxes. No element of financing is deemed present as sales are made with a short-term credit term.

The payment terms are determined per business segment on a customer basis. dsm-firmenich has neither specific obligations for returns or refunds, nor specific warranties or other related obligations.

Sale of goods

At dsm-firmenich, revenue related to the sale of goods is recognized in the income statement when the performance obligation is satisfied. This is at the point in time when transfer of control of the goods passes to the buyer. Fulfilment of the performance obligations related to goods sold is measured using the commercial shipment terms as an indicator for the transfer of control. Revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

Rendering of services

Income coming from the rendering of services is recognized when the service, i.e., the performance obligation, has been performed. Fulfilment of the performance obligations for services rendered is identified according to the individual contract. The revenue recognized is measured at the fair value of the contractual transaction price allocated to the performance obligation that is satisfied.

Licensing (royalties)

Income related to the sale or licensing of technologies or technological expertise is recognized in the income statement either at a point in time or over time, depending on when the contractually identified performance obligations are satisfied. Performance obligations related to license income include the transfer of rights and obligations associated with those technologies. License income is reported in Net sales as it is part of the ordinary and recurring activities of the business.

Net sales

	2024	2023
Goods sold	12,609	10,410
Services rendered	184	205
Royalties	6	12
Total	12,799	10,627

Disaggregation of net sales

	2024	2023
Perfumery & Beauty	3,964	2,619
- Perfumery	2,443	1,480
- Ingredients	903	551
- Personal care	618	588
Taste, Texture & Health	3,245	2,471
- Taste	1,842	1,139
- Ingredients solutions	1,403	1,332
Health, Nutrition & Care	2,214	2,246
- Dietary supplements and I-Health	991	1,017
- Early life nutrition	413	411
- Biomedical solutions	208	204
- Other	602	614
Animal Nutrition & Health	3,324	3,223
- Essential Products	2,469	2,434
- Performance Solutions	855	789
Corporate Activities	52	68
Total	12,799	10,627



Total costs

In 2024, total operating costs (the total costs included in operating profit) amounted to €12.2 billion, €1.1 billion higher than in 2023, when these costs stood at €11.1 billion. The difference is mainly attributable to the inclusion of Firmenich for the full year in 2024, compared to eight months in 2023, following the merger.

Total operating costs in 2024 included Cost of sales amounting to €8.6 billion (2023: €8.0 billion); gross profit as a percentage of net sales increased to 33% (2023: 25%), thanks to the improved margins in the business (particularly the ANH business) and the full year inclusion of the Firmenich results.

Employee benefit costs

	2024	2023
Wages and salaries	2,460	2,009
Social security costs	325	262
Pension costs (see also Note 24)	201	159
Share-based compensation (see also Note 27)	35	29
Total	3,021	2,459

Depreciation, amortization and impairments

	2024	2023
Amortization of intangible assets	609	477
Depreciation of property, plant and equipment owned	481	428
Depreciation of right-of-use assets	96	75
Impairment losses	244	327
Total	1,430	1,307

For impairment losses see [Note 2 Alternative performance measures](#).

Other operating income

	2024	2023
Release of provisions	3	-
Gain on sale of assets and activities	47	17
Insurance benefits	21	53
Amendments / settlements to pension plans	-	-
Earn-out payments and other settlements	21	57
Lease income	-	4
Royalties	-	2
Sale of emission rights	-	8
Sundry	21	47
Total	113	188

Other operating expense

	2024	2023
Additions to provisions	7	22
Exchange differences	7	13
Acquisitions / disposals	39	59
Damages w.r.t insurance	-	-
Sundry	17	23
Total	70	117



6. Finance income and expense

	2024	2023
Finance income		
Interest income	70	95
Fair value change in derivatives	15	28
Sundry	6	10
Total finance income	91	133
Finance expense		
Interest expense	(153)	(134)
Interest relating to lease liabilities	(15)	(8)
Interest relating to defined benefit plans	(9)	(8)
Fair value change in derivatives	-	(33)
Capitalized interest during construction	6	4
Exchange differences	(34)	(73)
Unwinding of discounted payables	(5)	(22)
Sundry	(15)	(9)
Total finance expense	(225)	(283)
Total finance income and expense	(134)	(150)

In 2024, the interest rate applied in the capitalization of interest during construction was 2.5% (same as in 2023).



7. Income tax

Accounting policy

Income tax expense is recognized in the income statement except to the extent that it relates to an item recognized directly in Other comprehensive income or Shareholders' equity.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted at the balance sheet date, plus any adjustment to tax payable with respect to previous years. The current tax position also reflects any uncertainty related to income taxes. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date, and reflect any uncertainty related to income taxes and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled. Deferred tax assets, including assets arising from losses carried forward and tax credits, are reassessed over time and recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized. Deferred tax assets and liabilities are stated at nominal value.

Deferred taxes are not provided for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither

accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets and deferred tax liabilities are offset and presented net when there is a legally enforceable right to offset, and the assets and liabilities relate to income taxes levied by the same taxation authority.

Estimates and judgments

Key estimates for income tax generally relate to uncertain tax positions that could result from different interpretation of tax legislation by local tax authorities in the countries where dsm-firmenich operates. For the measurement of the uncertainty, dsm-firmenich uses the most likely amount or the expected value method to estimate the underlying risk. This requires judgements and final outcome may deviate from the estimates.



Income Tax

The income tax expense on continuing operations was €147 million, which represents an effective income tax rate of 34.4% (2023: tax benefit of €18 million, representing an effective income tax rate of 2.8%). The breakdown of the income tax expense is shown in the table opposite.

Pillar Two legislation has been enacted in a number of jurisdictions in which dsm-firmenich operates. dsm-firmenich applies the temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The income tax expense relating to Pillar Two legislation was less than €1 million in 2024 because of a combination of the geographical spread of the business results and the Pillar Two legislation in Switzerland, which was limited to the domestic top-up tax in 2024. As Pillar Two legislation was not yet enacted in the countries in which dsm-firmenich operated in 2023, there was no income tax expense relating to Pillar Two in that year.

The total effective tax rate on the taxable result in 2024 was 34.4% (2023: 2.8%). Excluding APM adjustments, this was 24.1% (2023: 37.3%). The effective tax rate in 2024 compared to the Swiss statutory rate was negatively impacted by the geographical spread, changes in tax rates under local tax law in various countries, and non-deductible expenses. The effective tax rate in 2024 excluding APM adjustments compared to previous year was positively impacted because of the strong improvement of the financial results. The effective tax rate including APM adjustments is primarily affected

by three elements, being our financial results, the spread of these result across the countries where dsm-firmenich operates and non-deductible items. In 2023, the negative profit before tax including APM adjustments in conjunction with the other two elements led to a lower effective tax rate. Conversely, in 2024, the positive profit before tax, combined with mainly the geographic spread of the results and the non-deductible items, causes an increase of the higher effective tax rate.

Income tax

	2024	2023
Current tax (expense) / benefit:		
- Current year	(343)	(179)
- Prior-year adjustments	7	2
- Tax credits compensated	13	2
- Non-recoverable withholding tax	(1)	(13)
Total current tax (expense) / benefit	(324)	(188)
Deferred tax (expense) / benefit:		
- Originating from temporary differences and their reversal	162	245
- Prior-year adjustments	3	3
- Change in tax rate	3	(10)
- Changes arising from write-down of deferred tax assets	(4)	(41)
- Changes in previously and newly recognized tax losses and tax credits	13	9
Total deferred tax (expense) / benefit	177	206
Total tax (expense) / benefit	(147)	18
Of which related to:		
- Taxable result excl. APM adjustments	(192)	(117)
- APM adjustments	45	135

The relationship between the income tax rate in Switzerland and the effective tax rate on the taxable result can be explained as follows.

Effective tax rate (continuing operations)

In %	2024	2023
Domestic income tax rate	15.1	16.3
Tax effects of:		
- Deviating rates	9.8	19.3
- Change in tax rates	0.5	1.5
- Tax-exempt income and non-deductible expense	(1.6)	(2.5)
- Other effects	0.3	2.7
Effective tax rate taxable result, excl. APM adjustments	24.1	37.3
APM adjustments (see Note 2)	10.3	(34.5)
Total effective tax rate	34.4	2.8



Deferred tax assets and liabilities

The balance of the deferred tax assets and deferred tax liabilities decreased by €267 million owing to the changes presented in the table opposite.

In various countries, dsm-firmenich has taken standpoints regarding its tax position which may at any time be challenged, or have already been challenged, by the tax authorities, because the authorities in question interpret the law differently. For particular tax treatments for which there exists uncertainty that they are accepted by tax authorities, dsm-firmenich either recognizes a liability or reflects the uncertainty in the recognition and measurement of its current and deferred tax assets and liabilities. In 2024 the recognized liabilities for uncertainties were reclassified from deferred tax liability to current tax liability as a result of a change of dsm-firmenich's interpretation of the guidance on the presentation of these uncertainties.

The deferred tax assets and liabilities relating to the balance sheet items are shown in the second table opposite.

The valuation of deferred tax assets depends on the probability of the reversal of temporary differences and the utilization of tax loss carry forwards, tax credits, and withholding tax. Deferred tax assets are recognized for future tax benefits arising from temporary differences and for tax loss carryforwards to the extent that the tax benefits are probable. dsm-firmenich has to assess the likelihood that deferred tax assets will be recovered from future taxable profits. Deferred tax assets are reduced if, and to the extent that, it is not probable that all or

some portion of the deferred tax assets will be realized. In the event that actual future results differ from estimates, and depending on tax strategies that dsm-firmenich may be able to implement, changes to the measurement of deferred taxes could be required, which could have an impact on the company's financial position and profit for the year.

No deferred tax assets were recognized for loss carryforwards amounting to €560 million (2023: €566 million). Unrecognized loss carryforwards amounting to €66 million will expire in the years up to and including 2029 (2023: €93 million up to and including 2028), nil losses between 2030 and 2034 (2023: €1 million between 2029 and 2033) and the remaining €494 million in 2035 and beyond (2023: €472 million between 2034 and beyond). In addition, an amount of €15 million (2023: €9 million) of withholding taxes was unrecognized.

No deferred tax liability is recognized on temporary differences relating to unremitted retained earnings of subsidiaries, as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The amount of unremitted retained earnings on which no deferred tax liability has been provided for represents €2,957 million (2023: €2,253 million).

Deferred tax assets and liabilities

	2024	2023
Balance at 1 January		
Deferred tax assets	228	95
Deferred tax liabilities	(1,751)	(476)
Total	(1,523)	(381)
<i>Changes:</i>		
- Income tax income / (expense) in income statement	177	193
- Income tax: change in tax percentage	-	-
Total income statement	177	193
- Income tax expense in OCI	2	21
- Acquisitions and disposals	2	(1,264)
- Transfers	71	-
- Exchange differences	14	(108)
- Reclassification to held for sale	-	16
Balance at 31 December	(1,257)	(1,523)
<i>Of which:</i>		
- Deferred tax assets	299	228
- Deferred tax liabilities	(1,556)	(1,751)

Deferred tax assets and liabilities by balance sheet item

	2024		2023	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	60	(1,357)	54	(1,485)
Property, plant and equipment	31	(283)	29	(279)
Right-of-use assets	1	(71)	-	(40)
Financial assets	41	(11)	59	(18)
Inventories	122	(24)	82	(20)
Receivables	15	(25)	11	(22)
Lease liabilities non-current	61	-	31	-
Other non-current liabilities	-	(26)	1	(88)
Non-current provisions	74	(56)	73	(46)
Other current liabilities	85	(5)	68	(2)
Lease liabilities current	11	-	10	-
	501	(1,858)	418	(2,000)
Tax losses carried forward	100	-	59	-
Set-off	(302)	302	(249)	249
Total	299	(1,556)	228	(1,751)



8. Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over dsm-firmenich's share in the net fair value of the identifiable assets and liabilities in a business combination. Goodwill paid on acquisition of a business is included in intangible assets. Goodwill paid on acquisition of joint ventures or associates is included in the carrying amount of these entities. Goodwill recognized as an intangible asset is tested for impairment annually, and when there are indications that the carrying amount may exceed the recoverable amount. A gain or loss on the disposal of an operation includes the goodwill allocated to the operation sold.

Intangible assets acquired as part of a business combination

Intangible assets acquired in a business combination are recognized at fair value on the date of acquisition and subsequently amortized on a straight-line basis over their expected useful lives. The expected useful lives vary from four to 20 years.

Separately acquired intangible assets

Separately acquired licenses, patents, application software and other purchased rights are carried at historical cost less straight-line amortization and less any impairment losses. The expected useful lives vary from four to 20 years.

Capital expenditure that is directly related to the development of application software is recognized as an intangible asset and

amortized over its estimated useful life (five to eight years). Costs of software maintenance are expensed when incurred.

Internally generated intangible assets

Research costs are expensed when incurred. Development expenditure is capitalized if the recognition criteria are met and if it is demonstrated that it is technically feasible to complete the asset; that the entity intends to complete the asset; that the entity is able to sell the asset; that the asset is capable of generating future economic benefits; that adequate resources are available to complete the asset; and that the expenditure attributable to the asset can be reliably measured. Development expenditure that meets the recognition criteria is amortized over the asset's useful life on a straight-line basis. As long as internally generated intangible assets are under construction, they are not amortized as they are not yet available for use. Instead, they are subject to a review for impairment annually, or more frequently if events or circumstances indicate this is necessary. Any impairment is charged to the income statement as it arises.

Impairment of non-financial assets

When there are indications that the carrying amount of a non-financial asset (goodwill, an intangible asset, or an item of property, plant and equipment) may exceed the estimated recoverable amount (the higher of its value in use and fair value less costs of disposal), the possible existence of an impairment loss is investigated. If an asset does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. In

assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market interest rates and the risks specific to the asset or CGU. When the recoverable amount of a non-financial asset or a CGU is less than its carrying amount, the carrying amount is impaired to its recoverable amount and an impairment charge is recognized in profit or loss. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized. Impairment losses for goodwill are never reversed.

Estimates and judgments

Key estimates and judgments dsm-firmenich makes in the accounting for goodwill and intangible assets relate to:

- The amortization period of intangible assets, which depends on their useful lives
- The determination of CGUs, which depends on the capacity of the asset or group of assets to generate independent cash flows
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of goodwill and intangible assets. These estimates are based on historical and current market rates, quoted prices, experience, current business outlooks, and are validated by external valuation specialists, where deemed necessary by management.



The amortization and impairment losses of goodwill and intangible assets are included in Cost of sales, Marketing & Sales, Research & Development, and General & Administrative expenses.

Where dsm-firmenich acquired entities in business combinations in the past, they were accounted for by the acquisition method, resulting in recognition of mainly goodwill, customer- and marketing-related, and technology-based intangible assets.

The main intangible assets recognized as a result of the merger in 2023 are customer relationships for €3,407 million, technology for €1,044 million, and trademarks for €648 million. Furthermore, an amount of €8,251 million was recognized as goodwill.

Other significant intangibles were mainly obtained during the acquisitions of Erber Group and Glycom in 2020, and F&F Amyris and First Choice Ingredients in 2021. Intangible assets are amortized on a straight-line basis and subject to impairment trigger testing.

There are no intangible assets with an indefinite useful life (same as in 2023). The carrying amount of the internally generated intangible assets includes €137 million (2023: €133 million) that relates mainly to strategic projects which are not being amortized yet. The recoverable amount of these projects was estimated based on the present value of the future cash flows expected to be derived from the projects (value-in-use).

	Goodwill	Customer base	Brands and trademarks	Technology and formulas	Software, licenses and patents	Internally generated	Other	Total
Balance at 1 January 2023								
Cost	2,989	1,249	124	1,005	612	576	270	6,825
Amortization and impairment losses	5	596	62	270	363	186	196	1,678
Carrying amount	2,984	653	62	735	249	390	74	5,147
<i>Changes in carrying amount:</i>								
- Capital expenditure	-	1	-	-	2	124	2	129
- Put into operation	-	2	2	1	57	(62)	-	-
- Acquisitions	8,398	3,451	658	1,149	71	52	10	13,789
- Disposal subs	-	-	-	-	(1)	-	-	(1)
- Amortization	-	(178)	(40)	(118)	(83)	(38)	(20)	(477)
- Impairment losses	(28)	(3)	(3)	(13)	(6)	(13)	(4)	(70)
- Exchange differences	(61)	174	30	53	8	13	(5)	212
- Reclassification to held for sale	-	-	-	-	-	2	-	2
- Transfers	-	-	22	(34)	40	(29)	6	5
- Other	-	3	1	-	24	-	(26)	2
	8,309	3,450	670	1,038	112	49	(37)	13,591
Balance at 31 December 2023								
Cost	11,315	4,880	837	2,174	813	676	258	20,953
Amortization and impairment losses	22	777	105	401	452	237	221	2,215
Carrying amount	11,293	4,103	732	1,773	361	439	37	18,738
- Of which acquisition-related	11,293	4,103	732	1,773	76	-	11	17,988
<i>Changes in carrying amount:</i>								
- Capital expenditure	-	-	-	-	1	113	3	117
- Put into operation	-	(1)	4	11	53	(70)	3	-
- Disposals and deconsolidations	(47)	(1)	-	-	-	(11)	(1)	(60)
- Amortization	-	(250)	(69)	(146)	(108)	(25)	(11)	(609)
- Impairment losses	(50)	(1)	(4)	(55)	(1)	(5)	-	(116)
- Exchange differences	51	(32)	(3)	(4)	(1)	(5)	1	7
- Transfers	-	(15)	(16)	31	10	(33)	24	1
	(46)	(300)	(88)	(163)	(46)	(36)	19	(660)
Balance at 31 December 2024								
Cost	11,302	4,682	858	2,068	1,013	632	231	20,786
Amortization and impairment losses	55	879	214	458	698	229	175	2,708
Carrying amount	11,247	3,803	644	1,610	315	403	56	18,078
- Of which acquisition-related	11,247	3,803	644	1,610	66	-	17	17,387



Goodwill

The annual impairment tests of goodwill are performed in the fourth quarter. The recoverable amount of the CGUs is based on a value-in-use calculation. More specifically, the cash flow projections are based on the budget for 2025, as approved by management, which is extrapolated throughout the remainder of the forecast period using management's internal forecasts. The key assumptions in the cash flow projections relate to the market growth for the CGUs and the related revenue projections, EBITDA developments, and the rates used for discounting cash flows.

The CGUs dsm-firmenich identified in 2024 are Perfumery & Beauty (P&B), Taste, Texture & Health (TTH), Health, Nutrition & Care (HNC), and Animal Nutrition & Health (ANH).

For ANH and HNC, the growth assumptions are based on the growth of the global food and feed markets, and the vitamin transformation program; for TTH on the growth assumptions of the global food and beverage markets; and for P&B on the growth assumptions of the global fragrances and personal care markets.

Based on the sensitivity tests performed on the impairment test of the CGUs P&B and TTH, it was identified that a reasonably possible adverse change in the pre-tax discount rate could cause the carrying amount of these CGUs to exceed their recoverable amount. Holding all other factors constant, increases of, respectively, 182 basis points and 175 basis points in the pre-tax discount rates of P&B and TTH would result in recoverable amounts equal to the carrying amounts of these CGUs. The headroom of P&B and TTH amounted to €2,553 million and €2,130

million, respectively. The remainder of the sensitivity tests performed indicates that the conclusions of the impairment test of the CGUs would not have been different if a reasonably adverse change in any other key parameter had been assumed.

Goodwill per Cash generating unit

	2024	2023
Perfumery & Beauty (P&B)	4,169	4,191
Taste, Texture & Health (TTH)	3,718	3,739
Health, Nutrition & Care (HNC)	1,782	1,784
Animal Nutrition & Health (ANH)	1,578	1,579
Total	11,247	11,293

Key assumptions for goodwill impairment tests

	2024	2023
Forecast period (years)		
- Mature business	5	5
- Emerging business	10	10
Terminal value growth	2.0%	2.0%
Pre-tax discount rate		
P&B	9.0%	8.7%
TTH	8.7%	8.6%
HNC	8.6%	7.9%
ANH	9.6%	9.2%
Organic sales growth (year 1-5)		
P&B	2%-4%	1%-4%
TTH	1%-6%	3%-8%
HNC	0%-7%	6%-8%
ANH	4%-13%	4%-8%



9. Property, plant and equipment

Accounting policy

Property, plant and equipment owned

Items of Property, plant and equipment owned are measured at cost less depreciation calculated on a straight-line basis over their estimated useful lives and less any impairment losses. Borrowing costs during construction are capitalized when the underlying asset under construction meets the recognition criteria of a qualifying asset.

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the item will flow to the Group. Expenditures relating to major scheduled turnarounds are capitalized and depreciated over the period up to the next turnaround.

The estimated remaining lives of assets are reviewed every year, taking account of commercial and technological obsolescence as well as normal wear and tear. The initially assumed expected useful lives are in principle as follows:

- Buildings: 10–50 years
- Plant and equipment: 4–15 years
- Land is not depreciated

An item of property, plant and equipment owned is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use or the sale of the asset. Any gain or loss arising on derecognition of the asset is recorded in profit or loss.

Right-of-use assets (leases)

dsm-firmenich mainly leases offices, warehouses, vehicles, machinery, and other equipment.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are measured at cost less any depreciation on a straight-line basis over the expected lease term, less any impairment losses, and adjusted for remeasurements of the lease liability. In line with the initially assumed expected useful life of the corresponding asset class within Property, plant and equipment, the minimum expected lease term for building leases is in principle 10 years. However, the contractual terms or specific circumstances could require applying the shorter non-cancellable period in determining the expected lease term. For vehicle leases, the expected lease term is set equal to the contractual term (4–5 years).

Impairment of Property, plant and equipment

If there is an indication of impairment, the carrying amount of an item of Property, plant and equipment or the cash generating unit (CGU) to which it belongs is reviewed and the recoverable amount of the asset or the CGU is estimated. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. An impairment loss is reversed when there has been a change in estimate that is relevant for the determination of the asset's recoverable amount since the last impairment loss was recognized.

Estimates and judgments

Key estimates and judgments dsm-firmenich makes in the accounting for items of property, plant and equipment relate to:

- The depreciation period of items of property, plant and equipment, which depend on their useful lives
- The determination of the lease term for lease contracts based on assessment of available renewal options. Estimates are based on the underlying asset class, past practices and current business outlooks
- The estimation and allocation of future cash flows, growth rates, discount rates and fair values minus costs of disposal for the impairment testing of items of property, plant and equipment. These estimates are based on historical and current market rates, experience, and current business outlooks



Composition of Property, plant and equipment

	2024	2023
Property, plant and equipment owned	5,223	5,156
Right-of-use assets	502	393
Total	5,725	5,549

Property, plant and equipment owned

In 2024, impairment losses of €128 million (2023: €250 million) were recognized on Property, plant and equipment, mainly following the divestment of the Yeast Extract business (€73 million) and the Marine Lipids business (€38 million). See also [Note 2 Alternative performance measures](#). For acquisitions, see [Note 3 Change in the scope of consolidation](#).

	Land and buildings	Plant and equipment	Under construction	Not used for operating activities	Total
Balance at 1 January 2023					
Cost	1,929	4,625	572	6	7,132
Depreciation and impairments	839	2,891	-	-	3,730
Carrying amount at 1 January 2023	1,090	1,734	572	6	3,402
<i>Changes in carrying amount:</i>					
- Capital expenditure	13	48	510	-	571
- Put into operation	38	259	(297)	-	-
- Acquisitions	960	684	222	-	1,866
- Disposals and deconsolidations	(5)	10	(12)	-	(7)
- Depreciation	(107)	(321)	-	-	(428)
- Impairment losses	(68)	(200)	18	-	(250)
- Exchange differences	51	(34)	(4)	-	13
- Reclassification to held for sale	(5)	-	-	-	(5)
- Other reclassifications	65	129	(200)	-	(6)
	942	575	237	-	1,754
Balance at 31 December 2023					
Cost	2,956	5,642	809	6	9,413
Depreciation and impairments	925	3,332	-	-	4,257
Carrying amount at 31 December 2023	2,031	2,310	809	6	5,156
<i>Changes in carrying amount:</i>					
- Capital expenditure	11	57	645	-	713
- Put into operation	56	205	(261)	-	-
- Disposals and deconsolidations	(56)	(66)	(2)	-	(124)
- Depreciation	(122)	(359)	-	-	(481)
- Impairment losses	(35)	(90)	(3)	-	(128)
- Exchange differences	44	32	12	-	88
- Other reclassifications	35	235	(271)	-	(1)
	(67)	14	120	-	67
Balance at 31 December 2024					
Cost	2,880	5,651	930	6	9,467
Depreciation and impairments	916	3,327	1	-	4,244
Carrying amount at 31 December 2024	1,964	2,324	929	6	5,223



Right of use assets

	Land and buildings	Plant and equipment	Total
Balance at 1 January 2023	119	55	174
<i>Changes in carrying amount:</i>			
Acquisition	130	33	163
New leases / remeasurements	117	21	138
Depreciation	(48)	(27)	(75)
Exchange rate differences	1	(1)	-
Impairments	(7)	-	(7)
	193	26	219
Balance at 31 December 2023			
Cost	430	128	558
Depreciation and impairments	(118)	(47)	(165)
Carrying amount at 31 December 2023	312	81	393
<i>Changes in carrying amount:</i>			
Acquisition	-	-	-
New leases / remeasurements	170	28	198
Depreciation	(65)	(31)	(96)
Exchange rate differences	7	-	7
Impairments	-	-	-
	112	(3)	109
Balance at 31 December 2024			
Cost	577	131	708
Depreciation and impairments	(153)	(53)	(206)
Carrying amount at 31 December 2024	424	78	502

For the disclosures on the lease liabilities that correspond with the right-of-use assets, see [Note 19 Borrowings](#).



10. Associates and joint arrangements

Accounting policy

An associate is an entity over which dsm-firmenich has significant influence but no control or joint control, usually evidenced by a shareholding that entitles dsm-firmenich to between 20% and 50% of the voting rights. A joint venture is an entity over which dsm-firmenich has joint control and is entitled to its share of the net assets and liabilities.

Investments in associates and joint ventures are initially recognized at cost, including transaction costs. Subsequent to initial recognition, these investments are accounted for by the equity method, which involves recognition in the income statement of dsm-firmenich's share of the associate's or joint venture's profit or loss for the year determined in accordance with the accounting policies of dsm-firmenich. Any other results at dsm-firmenich in relation to associated companies are recognized under Other results related to associates and joint ventures. dsm-firmenich's interest in an associate or joint venture is carried in the balance sheet at its share in the net assets of the associate or joint venture together with goodwill paid on acquisition, less any impairment loss.

When dsm-firmenich's share in the loss of an associate or joint venture exceeds the carrying amount of that entity, the carrying amount is reduced to zero. No further losses are recognized unless dsm-firmenich has responsibility for obligations relating to the entity.

Associates and joint ventures

The table 'Carrying amount and share of profit of associates and joint ventures' on the next page analyses, in aggregate, the carrying amount and share of profit of associates and joint ventures. For acquisitions and divestments, see [Note 3 Change in the scope of consolidation](#).

Joint operations

The operations Veramaris® and Avansya are accounted for in accordance with IFRS 11 for joint operations. dsm-firmenich therefore recognizes their amounts for the assets, liabilities, revenues and expenses in accordance with the contractual entitlement and obligations of dsm-firmenich, see also [Note 1 General information](#).



The other consolidation change relating to MidCo Omega relates to the divestment of the Marine Lipids business to the KD Pharma group. As part of that transaction, dsm-firmenich has obtained a minority stake of 29% in KD Pharma's parent company MidCo Omega GmbH.

Carrying amount and share of profit of associates and joint ventures

	2024					2023
	MidCo Omega	Essential Labs	Other associates	JVs	Total	Total
Balance at 1 January	-	43	72	15	130	61
- Share of the profit of associates and joint ventures	(3)	4	1	(12)	(10)	(6)
- Other comprehensive income	-	-	-	-	-	(3)
- Capital payments	-	-	11	6	17	5
- Dividends received	-	(1)	(8)	-	(9)	(2)
- Acquisitions	-	-	-	-	-	74
- Disposals	-	-	-	-	-	-
- Other consolidation change	159	-	19	30	208	-
- Other	3	2	1	-	6	1
Balance at 31 December	159	48	96	39	342	130

Key figures of main associates on a 100% basis

	MidCo Omega		Essential Labs	
	2024	2023	2024	2023
Current assets	325	-	19	17
Non-current assets	395	-	14	13
Current liabilities	71	-	2	4
Non-current liabilities	249	-	7	8
Net assets (100% basis)	400	-	24	18
of which Non-controlling interest	1	-	-	-
Attributable to investee's shareholders	399	-	24	18
Summarized statement of profit or loss				
Revenue (net sales)	31	-	72	52
Profit for the year (continuing operations)	(9)	-	7	6
Other comprehensive income	-	-	-	-
Total comprehensive income	(9)	-	7	6
of which Non-controlling interest	-	-	-	-
Attributable to investee's shareholders	(9)	-	7	6



11. Other non-current assets

Accounting policy

Other non-current assets comprise loans to associates and joint ventures, other participating interests, and other long-term investments and receivables. Other participating interests comprise equity interests in entities in which dsm-firmenich has no significant influence. We generally apply the irrevocable election upon initial recognition to present subsequent changes in the fair values of these interests in Other comprehensive income (OCI) as these represent investments that dsm-firmenich intends to hold for a longer term for strategic purposes. Fair value changes in OCI will not be recycled through profit and loss upon disposal of the interest. All dividends received will be presented in profit or loss.

dsm-firmenich's business model objective for loans granted is 'held-to-collect contractual cash flows only'. Held-to-collect loans, other receivables and other deferred items, for which the contractual cash flows consist solely of principal and interest, are measured at amortized cost, using the effective interest method, which generally corresponds to the nominal value, less an adjustment for expected credit loss. Upon disposal of these assets, the gain or loss is recognized in profit or loss.

Other long-term investments and receivables, for which the contractual cash flows are not solely principal and interest, are recognized at fair value, with changes in fair value recognized in profit or loss.

The company is focusing on its consumer activities after having announced plans to separate the Animal Nutrition & Health business from the Group and after tuning the portfolio by deprioritizing certain activities. As part of that portfolio change, the company disposed of its 386,732 shares and 102,000 share certificates of Robertet S.A. for a consideration of €387 million. Results on this investment are recognized via FVOCI. The accumulated result in the Fair value reserve amounting to €24 million was recycled to Retained earnings.

In 2024, all investments under other participating interests were classified as FVOCI. These other participating interests mainly include investments in dsm-firmenich's venturing portfolio.

The 'Expected credit loss (ECL) adjustment and impairment' of €45 million relates to the loan that was waived as part of the Jiangshan divestment (see also [Note 3 Change in the scope of consolidation](#)).

Other non-current assets

	Loans associates and joint ventures	Other participating interests	Other receivables	Other	Total
Balance at 1 January 2023	2	125	158	10	295
<i>Changes:</i>					
- Charged to the income statement	-	-	(1)	-	(1)
- Acquisitions	7	491	33	7	538
- Disposals	-	(10)	-	-	(10)
- Capital payments	-	10	-	-	10
- Loans granted / prepayments	3	-	13	-	16
- Repayments / (receipts)	-	-	-	(4)	(4)
- Exchange differences	-	23	(1)	(1)	21
- Transfers	-	-	(24)	4	(20)
- Changes in fair value through OCI	-	(65)	-	-	(65)
- Changes in fair value through income statement	-	(5)	-	-	(5)
- Other changes	(1)	7	(89)	(1)	(84)
Balance at 31 December 2023	11	576	89	15	691
<i>Changes:</i>					
- Charged to the income statement	-	-	8	-	8
- Acquisitions	-	-	-	-	-
- Disposals	-	(387)	-	-	(387)
- Capital payments	-	6	-	-	6
- Loans granted / prepayments	47	-	55	-	102
- Repayments / (receipts)	-	-	(48)	-	(48)
- Exchange differences	-	(9)	(2)	1	(10)
- Transfers	(3)	11	54	-	62
- Changes in fair value through OCI	-	10	-	-	10
- Changes in fair value through income statement	-	2	-	-	2
- Expected credit loss (ECL) adjustment and impairments	(1)	-	(45)	-	(46)
- Other changes	-	-	-	1	1
Balance at 31 December 2024	54	209	111	17	391



12. Inventories

Accounting policy

Inventories are stated at the lower of cost and net realizable value. The cost of intermediates, work-in-progress, and finished goods includes directly attributable costs and related production overhead expenses.

Net realizable value is determined as the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Products whose manufacturing cost cannot be calculated because of joint cost components are stated at net realizable value after deduction of a margin for selling and distribution efforts. Value adjustments for slow-moving and obsolete inventories are made.

Cost is generally determined using the weighted average cost formula, unless the nature of the inventories warrants the use of the first in, first out (FIFO) method of valuation.

Composition of inventories

	2024	2023
Raw materials and consumables	926	1,018
Intermediates and finished goods	2,481	2,479
	3,407	3,497
Adjustments to lower net realizable value	(117)	(107)
Total	3,290	3,390

Changes in the adjustment to net realizable value

	2024	2023
Balance at 1 January	(107)	(66)
Additions charged to income statement	(82)	(65)
Utilization / reversals	75	109
Exchange differences	(5)	5
Disposal	2	27
Transfer	-	(90)
Reclassification to held for sale	-	(27)
Balance at 31 December	(117)	(107)



13. Current receivables

Accounting policy

Current receivables, for which the contractual cash flows are solely principal and interest, are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, which generally corresponds to their nominal, non-discounted value, less an adjustment for expected credit loss.

Loss allowances for trade receivables are always measured at lifetime expected credit loss – see also [Note 23 Financial instruments and risks](#).

Information about the expected credit loss that relates to trade accounts receivable resulting in a loss allowance is included under Credit risk in [Note 23 Financial instruments and risks](#).

Deferred items comprised €73 million (2023: €63 million) in prepaid expenses that include advance payments for any expenditure that would have otherwise been made during the next 12 months.

Current receivables

	2024	2023
Trade receivables		
Trade accounts receivable	2,238	2,173
Other trade receivables	306	343
Deferred items	61	62
Receivables from associates	4	2
	2,609	2,580
Expected credit loss	(20)	(27)
Total Trade receivables	2,589	2,553
Income tax receivable	51	107
Other current receivables		
Other taxes and social security contributions	24	16
Employee-related receivables	6	7
Acquisition-/disposal-related receivables	12	5
Interest	6	4
Loans	23	69
Other receivables	46	81
Deferred items	12	1
Total Other current receivables	129	183
Total current receivables	2,769	2,843



14. Financial investments

Accounting policy

Financial investments are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Deposits with banks with a maturity of between three and 12 months are classified as financial investments.

All fixed-term deposits have been placed with institutions with a high credit rating in line with our counterparty policy. The purpose of the deposits is either to meet short-term cash commitments, or to manage liquidity to such extent that yields are optimized while allowing dsm-firmenich sufficient freedom in fulfilling its (strategic) goals.

For more information regarding the counterparty policy, see [Note 23 Financial instruments and risks](#).

Financial investments

	2024	2023
Fixed term deposits	50	107
Total	50	107



15. Cash and cash equivalents

Accounting policy

Cash and cash equivalents comprise cash at banks and in hand and deposits held at call with banks with a maturity of less than three months at inception.

Deposits will be classified as 'cash equivalent' if held at banks with a maturity of less than three months at inception. Deposits will be classified as financial investments if the maturity is more than three months but less than or equal to one year. Bank overdrafts are included in current liabilities. Included in cash and cash equivalents are investments in money-market funds that do not meet the SPPI (Solely Payments of Principal & Interest) criterion but are held to meet short-term cash demand and have a maturity of less than three months at inception. Money-market fund investments have been placed with institutions with a high credit rating in line with our counterparty policy.

Cash and cash equivalents are measured at amortized cost, or at fair value through profit and loss.

For dsm-firmenich, the purpose of holding cash in deposits and money-market funds is to meet short-term cash commitments and to manage liquidity to such an extent that yields are optimized, while allowing dsm-firmenich sufficient freedom in fulfilling its (strategic) goals.

Cash at year-end 2024 was not being used as collateral and therefore was not restricted (same as in 2023).

In a few countries, dsm-firmenich faces cross-border foreign exchange controls and/or other legal restrictions that limit its ability to make these balances available at short notice for general use by the Group. The amount of cash held in these countries was €233 million at year-end 2024 (2023: €211 million). The cash will generally be invested or held in the relevant country and, given the other liquidity resources available to the Group, does not significantly affect the ability of the Group to meet its obligations.

For more information regarding the counterparty policy, see [Note 23 Financial instruments and risks](#).

Composition of cash and cash equivalents

	2024	2023
Deposits	687	384
Money-market funds	504	931
Cash at bank and in hand	1,472	1,139
Payments in transit	4	2
Total	2,667	2,456



16. Equity

Accounting Policy

dsm-firmenich classifies shares and other financial instruments, for which settlement of the contractual obligations is at the sole discretion of dsm-firmenich, as equity.

The price paid for repurchased dsm-firmenich shares (treasury shares), or the price to be paid for future repurchases of dsm-firmenich shares (equity forward contracts), is deducted from dsm-firmenich shareholders' equity until the shares are reissued. Treasury shares are presented in the treasury share reserve. When treasury shares are sold or reissued, the amount received is recognized as an increase in equity.

Dividend to be distributed to holders of ordinary shares is recognized as a liability when the Annual General Meeting approves the profit appropriation.

Share capital

On 31 December 2024, the capital amounted to €2.7 million, consisting of 266 million ordinary shares (same on 31 December 2023). All DSM-Firmenich AG shares have a nominal value of €0.01 each. The outstanding shares provide an entitlement of one vote per share at the Annual General Meeting. All rights attached to the company's shares held by the Group are suspended until those shares are reissued.

The changes in the number of issued and outstanding shares of DSM-Firmenich AG are shown in the table opposite.

Movements in equity

	2024	2023
Balance at 1 January	23,070	10,845
Net profit for the year	280	2,153
Other comprehensive income	173	30
Stock options and share units granted	31	23
Dividend	(667)	(582)
Proceeds from issuance of new shares	-	11,510
Expenditures related to issuance of new shares	(4)	(29)
Proceeds from reissue of shares	21	24
Acquisition of NCI without a change in control	-	48
Acquisition (divestment) of subsidiary with NCI	(17)	(4)
Repurchase of shares	(52)	(256)
Forward contracts to repurchase shares	(105)	-
Liability i.r.t. buy-out non-tendered shares DSM B.V.	-	(649)
Remuneration on deeply subordinated perpetual notes	(28)	(28)
Other changes	(5)	(15)
Balance at 31 December	22,697	23,070

Development issued and outstanding shares DSM-Firmenich AG

	Issued shares	Treasury shares (incl. forward contracts)
Balance at 1 January 2023	-	-
Issue of new shares via tender process	167,321,557	
Issue of new shares via placement in the market	98,354,831	
Swap treasury shares DSM B.V. to DSM-Firmenich AG		662,616
Reissue of shares in connection with share-based payments		(270,044)
Balance at 31 December 2023	265,676,388	392,572
Number of treasury shares at 31 December 2023	(392,572)	
Number of shares outstanding at 31 December 2023	265,283,816	
Balance at 1 January 2024	265,676,388	392,572
Repurchase of shares		500,000
Forward contracts to repurchase shares		1,000,000
Reissue of shares in connection with share-based payments		(488,387)
Balance at 31 December 2024	265,676,388	1,404,185
Number of treasury shares at 31 December 2024	(404,185)	
Forward contracts to repurchase shares at 31 December 2024	(1,000,000)	
Number of shares outstanding at 31 December 2024	264,272,203	



Share premium

The share premium decreased by €418 million (2023: increase by €11,260 million) mainly due to the part of the dividend that was distributed out of share premium in 2024 amounting to €414 million (2023: €425 million).

Other reserves in Shareholders' equity

	Translation reserve	Hedging reserve	Reserve for share-based compensation	Fair value reserve	Total
Balance at 1 January 2023	424	(33)	44	(72)	363
<i>Changes:</i>					
Fair-value changes of derivatives	-	34	-	-	34
Release to income statement	6	(7)	-	-	(1)
Fair-value changes of other financial assets	-	-	-	(65)	(65)
Exchange differences	144	-	-	-	144
Stock options and share units granted	-	-	23	-	23
Stock options and share units exercised/canceled	-	-	(23)	-	(23)
Transfer to retained earnings	-	-	-	(5)	(5)
Income tax	-	(1)	-	5	4
Total changes	150	26	-	(65)	111
Balance at 31 December 2023	574	(7)	44	(137)	474
<i>Changes:</i>					
Fair-value changes of derivatives	-	(40)	-	-	(40)
Release to income statement	10	-	-	-	10
Fair-value changes of other financial assets	-	-	-	13	13
Exchange differences	174	-	-	-	174
Stock options and share units granted	-	-	31	-	31
Stock options and share units exercised/canceled	-	-	(27)	-	(27)
Transfer to retained earnings	-	-	-	71	71
Income tax	-	6	-	(2)	4
Total changes	184	(34)	4	82	236
Balance at 31 December 2024	758	(41)	48	(55)	710



Treasury shares and forward contracts to repurchase shares

In 2024, the Group repurchased 0.5 million shares for an amount of €52 million to fulfill its obligations under share-based compensation plans.

dsm-firmenich concluded an equity forward contract to repurchase 1.0 million shares. The total consideration amounted to €105 million; it will take delivery of the shares against payment of the forward price of €109 million on 24 April 2025.

At 31 December 2024, dsm-firmenich possessed 0.4 million (2023: 0.4 million) shares, or 0.15% (2023: 0.15%) of the share capital, for servicing share-option rights and share plans. The average purchase price of the ordinary treasury shares as at 31 December 2024 was €104.62 (2023: €112.34).

The increase in the Translation reserve in 2024 is mainly caused by a strengthening of the euro against the Swiss franc versus a weakening against the US dollar and Chinese renminbi. As a consequence, the total value of the subsidiaries increased, which led to a positive exchange difference of €174 million (2023: €144 million).

Additional information on the reserves is provided in [Note 6 Share capital](#) to the Parent Company Financial Statements.

Dividend

Prior to the merger in May 2023, dividend was paid to the holders of cumulative preference shares A and of non-tendered ordinary shares

of DSM B.V. Since the merger date, the Group has paid dividend to the holders of DSM-Firmenich AG shares.

In 2024, the Group distributed dividend amounting to €660 million (2023: €582 million) partly out of share premium (€414 million; 2023: €425 million); the remaining dividend amounting to €246 million (2023: €157 million) was distributed out of retained earnings.

Deeply subordinated fixed rate resettable perpetual notes

Firmenich International SA issued deeply subordinated fixed rate resettable perpetual notes for the amount of €750 million on 3 June 2020 with a coupon of 3.75% payable annually at the sole discretion of the issuer until the first reset date i.e., 3 September 2025. Thereafter, the interest rate is reset every five years. In 2024, the remuneration on the deeply subordinated fixed rate resettable perpetual notes amounts to €28 million (2023: €28 million), as shown in the table 'Movements in equity'. In accordance with the provisions of IAS 32 Financial Instruments: Presentation, this instrument is accounted for in equity.

Dividend distribution in the reporting year

	2024	2023
Shareholders DSM B.V.		
Cumulative preference shares A: - (2023: €0.14)	-	6
Final dividend ordinary shares: - (2023: €22.58)	-	151
Shareholders DSM-Firmenich AG		
Dividend per share: €2.50 (2023: €1.60)	660	425
Total	660	582



17. Non-controlling interests

Accounting policy

Non-controlling interests in subsidiaries are measured at the proportionate share of the subsidiaries' identifiable net assets.

The shareholding owned by dsm-firmenich in Yimante Health Ingredients (Jingzhou) Company Ltd. is 75%. The profit will be distributed in a 50:50 proportion. The impact of this arrangement has led to a transfer of €19 million (2023: €9 million) within equity from shareholders' equity to non-controlling interest.

In the reporting period, dsm-firmenich divested half of its 50% equity stake in DRT-Anthea and lost control. Therefore, this investment is deconsolidated.

For acquisitions, see [Note 3 Change in the scope of consolidation](#).

Non-controlling interests

	2024					2023
	DRT-Anthea Aroma	Andre Pectin	Yimante	Other	Total	
% of non-controlling interest	50% / 0%	25%	25%			
Balance at 1 January	21	48	61	32	162	102
<i>Changes:</i>						
- Share of profit/charged to income statement	2	4	19	5	30	16
- Dividend paid	(2)	-	-	(5)	(7)	-
- Acquisitions	-	-	-	-	-	48
- Divestments	(21)	-	-	4	(17)	(4)
- Other consolidation changes	-	-	-	(6)	(6)	-
- Transfers	-	-	19	-	19	9
- Exchange differences	-	2	2	1	5	(9)
Total changes	(21)	6	40	(1)	24	60
Balance at 31 December	-	54	101	31	186	162

Not fully-owned subsidiaries on a 100% basis

	2024				2023
	Andre Pectin	Yimante	Other	Total	
Assets					
Goodwill and intangible assets	37	19	1	57	122
Property, plant and equipment	38	121	31	190	275
Other non-current assets	2	40	25	67	95
Inventories	51	10	64	125	143
Receivables	31	111	73	215	186
Current investments	7	-	-	7	51
Cash and cash equivalents	73	9	63	145	103
Total assets	239	310	257	806	975
Liabilities					
Provisions (non-current)	10	1	2	13	24
Borrowings (non-current)	-	13	16	29	95
Other non-current liabilities	-	1	6	7	9
Borrowings and derivatives (current)	-	13	6	19	74
Other current liabilities	10	32	62	104	159
Total liabilities	20	60	92	172	361
Net assets (100% basis)	219	250	165	634	614
Net sales	96	277	333	706	620
Net profit for the year	19	74	30	123	70
Cash provided by / (used in) operating activities	27	71	55	153	154



18. Provisions

Accounting policy

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. The underlying assumptions in the recognition of provisions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In cases where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to time passing is recognized as financial expense. Differences in final obligations and initial estimates are recognized in the consolidated income statement in the period in which such determination is made.

In cases where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Estimates and judgments

Many estimates relate to determining the likelihood and timing of potential cash flows included in their measurement.

The rate used for discounting decreased from 3.5% to 3.4%. Depending on the risk profile, the discount rates used at the end of 2024 vary from 3.4% to 5.3% (2023: 3.5% to 5.7%). The balance of provisions measured at present value increased by less than €2 million in 2024 in view of the passage of time (similar to 2023). Provisions for restructuring costs and termination benefits mainly relate to the costs of redundancy schemes connected to the dismissal of employees and costs of termination of contracts. These provisions generally have a term of one to three years.

Regarding the provisions for restructuring costs and termination benefits, the additions related mainly to an addition of €4 million to the existing provisions in relation to the merger and integration, and the creation of a provision for an amount of €21 million in connection with the closure of a plant following the divestment of the Yeast Extract business. The usage of these provisions mainly related to the existing provisions for the merger and integration (€17 million), the restructuring of the vitamin asset footprint (€10 million), and the closure of the Pinova ingredients plant (€18 million). Other additions to provisions for restructuring costs and termination benefits in 2024 relate mainly to the various smaller restructuring projects (same as in 2023). The provisions for environmental costs relate to soil clean-up obligations, among other things and have an average life of around 30 years.

Several items have been combined under Other provisions, e.g., demolition costs, onerous contracts and legal claims. These provisions have an average life of one to 10 years. Following the divestments in 2024, provisions

for onerous contracts amounting to €32 million were created.

Provisions

	Restructuring costs and termination benefits	Environmental costs	Other provisions	Total
Balance at 1 January 2023	41	29	25	95
Of which current	39	2	4	45
<i>Changes:</i>				
- Acquisition	3	-	46	49
- Additions	102	4	40	146
- Releases	(9)	-	(21)	(30)
- Uses	(66)	(3)	(16)	(85)
- Other change	1	3	(3)	1
Total changes	31	4	46	81
Balance at 31 December 2023	72	33	71	176
Of which current	25	3	6	34
<i>Changes:</i>				
- Acquisition	-	-	-	-
- Additions	38	-	66	104
- Releases	(4)	-	(24)	(28)
- Uses	(58)	(3)	(22)	(83)
- Other change	1	-	(6)	(5)
Total changes	(23)	(3)	14	(12)
Balance at 31 December 2024	49	30	85	164
Of which current	24	3	50	77



19. Borrowings

Accounting policy

Borrowings

Borrowings, including bonds, are not held for trading and are initially recognized at fair value of the proceeds received, net of transaction costs. Subsequently, borrowings are stated at amortized cost using the effective interest method, with any discount or premium on the borrowing amortized over the applicable term. The corresponding interest expenses are recorded as financial expense in profit or loss.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, dsm-firmenich uses its incremental borrowing rate as the discount rate. In determining the incremental borrowing rate, dsm-firmenich applies the practical expedient to use a single discount rate to portfolios of leases with reasonably similar characteristics, as reflected in the contractual currency and expected lease term of these contracts.

In general, dsm-firmenich splits the contractual consideration into a lease and a non-lease component based on their relative stand-alone prices. For vehicle leases, however, dsm-firmenich applies the practical expedient not to make this split but rather accounts for the fixed consideration as a single lease component.

Over time, the lease liability is increased by the interest expense related to the unwinding of the lease liability and decreased by the lease payments made. The lease liability is remeasured to reflect any reassessment of or modification to the contractual terms and conditions of the lease, including indexation.

Payments related to short-term leases (leases with a term shorter than 12 months) are recognized on a straight-line basis in profit or loss.



Borrowings

In agreements governing loans with a residual amount at year-end 2024 of €4,451 million (31 December 2023: €4,133 million), negative pledge clauses have been included that restrict the provision of security.

At 31 December 2024, there was €2,212 million in borrowings outstanding with a remaining term of more than five years (at 31 December 2023, €1,340 million).

dsm-firmenich redeemed in full the 2.375% EUR bond 2014–2024 of €500 million on the maturity date of 3 April 2024.

On 2 July 2024, dsm-firmenich issued a 10-year €800 million bond. The bond, issued by DSM B.V. and guaranteed by DSM-Firmenich AG, has a coupon of 3.625% and matures on 2 July 2034.

Included in credit institutions is an amount of €108 million related to the liability for the forward contract to repurchase shares – see also [Note 16 Equity](#).

Borrowings by type

	2024		2023	
	Total	Of which current	Total	Of which current
Bonds	4,451	500	4,133	500
Private loans	132	73	254	104
Lease liabilities	524	90	415	84
Credit institutions	173	173	28	28
Total	5,280	836	4,830	716

Borrowings by maturity

	2024	2023
Less than one year	836	716
One to two years	1,589	633
Two to three years	71	1,560
Three to four years	539	47
Four to five years	33	534
More than five years	2,212	1,340
Total	5,280	4,830

Borrowings by currency

	2024	2023
EUR	4,709	4,283
CNY	98	140
USD	216	142
CHF	104	102
BRL	19	23
Other	134	140
Total	5,280	4,830

Private loans

	2024	2023
CNY loan	76	128
Other loans	56	126
Total	132	254



On balance, total borrowings increased by €450 million due to the changes, presented in the table 'Movement of borrowings'.

The bonds issued by DSM B.V. have a fixed interest rate. The bonds issued in the period 2015–2020 are listed on the AEX. The bond issued in 2024 is listed on the Luxembourg Stock Exchange.

- The 2.375% EUR bond 2014–2024 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond of 3.97%, including the settlement of the pre-hedge
- The 1% EUR bond 2015–2025 of €500 million was pre-hedged by means of forward starting swaps, resulting in an effective interest rate for this bond at 3.65%, including the settlement of the pre-hedge
- The 0.75% EUR bond 2016–2026 of €750 million was pre-hedged by means of a collar, resulting in an effective interest rate for this bond of 1.08%, including the settlement of the pre-hedge
- The 0.25% EUR bond 2020–2028 of €500 million has an effective interest rate of 0.29%
- The 0.625% EUR bond 2020–2032 of €500 million has an effective interest rate of 0.70%
- The 3.625% EUR bond 2024–2034 of €800 million has an effective interest rate of 3.691%

The bonds issued by Firmenich Productions Participations SAS (guaranteed by Firmenich International SA) have a fixed interest rate and are listed on Euronext Dublin.

- The 1.375% EUR bond 2020–2026 of €750 million has an effective interest rate of 3.18%
- The 1.750% EUR bond 2020–2030 of €750 million has an effective interest rate of 3.47%

A breakdown of private loans is given on the previous page.

In addition to the contractual lease commitments, dsm-firmenich has identified explicit renewal options available to dsm-firmenich, which are currently not reasonably certain to be exercised and are therefore not included in the measurement of the lease. The associated future lease payments which are uncommitted and optional for dsm-firmenich, are estimated at around €196 million (undiscounted; 2023: €181 million). The interest expense on the lease liabilities was €15 million (2023: €8 million) and the total repayments of the lease liabilities amounted to €110 million in 2024 (2023: €73 million). These cash flows are reported as financing cash flows. dsm-firmenich's policy regarding financial risk management is described in [Note 23 Financial instruments and risks](#).

Movements of borrowings

	2024	2023
Balance at 1 January	4,830	3,064
Loans taken up	833	15
Repayments	(623)	(549)
Unwinding (interest)	45	28
Acquisitions / consolidation changes	(39)	2,195
Transfers	-	28
Disposals	2	(2)
Reclassification to held for sale	-	-
Changes in debt to credit institutions	37	-
Forward contract to repurchase shares	105	-
New lease arrangements (incl. remeasurements)	198	128
Payment of lease liabilities	(110)	(73)
Exchange differences	2	(4)
Balance at 31 December	5,280	4,830

Bonds

		Nominal amount	2024	2023
EUR loan	2.38%	2014–2024	500	500
EUR loan	1.00%	2015–2025	500	500
EUR loan	0.75%	2016–2026	750	749
EUR loan	0.25%	2020–2028	500	498
EUR loan	0.63%	2020–2032	500	496
EUR loan	1.38%	2020–2026	750	711
EUR loan	1.75%	2020–2030	750	679
EUR loan	3.63%	2024–2034	800	-
Total		5,050	4,451	4,133

A breakdown of the lease liabilities is given below.

	2024	2023
Less than one year	99	92
One to two years	96	77
Two to three years	65	56
Three to four years	50	40
Four to five years	42	33
More than five years	291	196
Total undiscounted lease liabilities at 31 December	643	494
Lease liabilities included in the Balance Sheet at 31 December	524	415
Current	90	84
Non-current	434	331



20. Other non-current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

Government grants are recognized at their fair value if there is reasonable assurance that the grant will be received and that all related conditions will be complied with. Cost grants, which are grants that compensate dsm-firmenich for expenses incurred, are recognized as income over the periods necessary to match the grant on a systematic basis to the cost that it is intended to compensate. If the grant is an investment grant, its fair value is initially recognized as deferred income in Other non-current liabilities and then released to profit or loss over the expected useful life of the relevant asset.

Other non-current liabilities

	2024	2023
Investment grants / customer funding	63	70
Deferred items	36	30
Acquisition-/divestment-related liabilities	10	45
Other	-	1
Total	109	146

The decrease in the Other non-current liabilities is mainly caused by the transfer to current liabilities.



21. Current liabilities

Accounting policy

Other liabilities are measured at amortized cost, which generally corresponds to the nominal value, or at fair value through profit and loss. The latter is mainly applied to acquisition-related liabilities.

Included in trade accounts payable are amounts due to suppliers which could be part of a supply chain finance arrangement between the supplier and a third-party bank.

Our suppliers can enter into such arrangements with third-party banks, and access earlier payment on terms linked to our investment grade credit rating. If a supplier participates, this does not impact classification of the trade payable, as arrangements are concluded between them and banks and do not alter payment conditions between the supplier and us. Additionally, dsm-firmenich does not incur any additional interest toward the bank on the amounts due to the suppliers. Therefore, these amounts remain classified as trade payables and the related payments are included in operating cash flows.

dsm-firmenich applied transitional relief available under Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 and has not provided comparative information in the first year of adoption.

The decrease in acquisition- / divestment-related liabilities was mainly due to the settlement of the statutory buy-out of non-tendered shares of DSM B.V. See also [Note 26 Notes to the cash flow statement](#).

Current liabilities

	2024	2023
Trade payables		
Received in advance	5	8
Trade accounts payable ¹	2,267	2,166
Notes and cheques due	4	-
Total Trade payables	2,276	2,174
Income tax payable	223	177
Other current liabilities		
Other taxes and social security contributions	87	85
Interest ¹	36	32
Pensions	1	2
Investment creditors	203	146
Employee-related liabilities	454	310
Payables associates and joint ventures relating to cash facility	-	3
Acquisition-/divestment-related liabilities	36	748
Other	9	7
Total Other current liabilities	826	1,333
Total current liabilities	3,325	3,684

1. 2023 figure restated for comparative purposes.

Supplier finance arrangements

	2024
Carrying amount of liabilities	
Presented within trade and other payables (beginning of the period)	207
Presented within trade and other payables (end of the period)	218
- Of which suppliers have received payment (by a third-party bank)	178
Range of payment due dates	
Liabilities that are part of supplier finance arrangements	30-120 days after invoice date
Comparable trade payables that are not part of a supplier finance arrangement	0-120 days after invoice date



22. Contingent liabilities and other financial obligations

Guarantee obligations

Guarantee obligations are principally related to VAT and duties on the one hand and to financing obligations of associated companies or related third parties on the other. Guarantee obligations will only lead to a cash outflow when called upon. At year-end, no obligations had been called upon. Most of the outstanding orders for projects under construction will be completed in 2025. Other relates mainly to contingent liabilities in contracts for catalysts.

Litigation

dsm-firmenich has a process in place to monitor legal claims periodically and systematically. dsm-firmenich is involved in several legal proceedings, most of which are related to the ordinary course of business. dsm-firmenich does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In cases where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements and disclosed in [Note 18 Provisions](#).

In 2015, an award was issued against DSM Sinochem Pharmaceuticals India Private Ltd. (DSP India) in a protracted arbitration case in India going back to 2004 involving a joint venture that DSP India had formed with Hindustan Antibiotics Ltd., which suspended its operations in 2003. DSP India (renamed to Centrient Pharmaceuticals after divestment by the former DSM in 2018) is covered by an indemnity from DSM B.V. for this case. In 2015, DSP India made an application with the Civil

Court in Pune (India) to set aside the arbitral award. The award amounts to INR 127.5 crore (€14 million as at year-end 2024) excluding interest of 12% per year as of 2004. dsm-firmenich provided the Pune Court a bank guarantee of INR 410 crore (€45 million as at year-end 2024). At the end of 2024, application proceedings were still pending. dsm-firmenich views this case as unfounded and is of the opinion that the likelihood of the award being ultimately set aside is high. Therefore, no liability is recognized in respect of this case.

In 2019, Brazilian tax authorities disagreed with certain tax treatment as applied by the company in 2014–2016, which would have an effect on such prior year income tax returns of around BRL 134 million (€21 million as at year-end 2024), including penalties and interest. dsm-firmenich views this case as unfounded and considers that the possibility of winning this case is high, as confirmed by external legal counsel. Therefore, no liability relating to this case is recognized. Currently certain elements are subject to appeal at the Superior Chamber. In the event that dsm-firmenich receives an unfavorable decision, the case can still be taken to the Judicial Court.

In 2023, certain competition authorities commenced an industry-wide investigation into the fragrances sector. As part thereof, unannounced inspections were carried out at several of our offices and a subpoena was received from the Antitrust Division of the United States Department of Justice. The company is fully cooperating with the authorities. As per the date of release of this report, no further update on the status or outcome of the investigation is available. In

addition, multiple lawsuits have been filed against the company relating to the investigations.

Contingent liabilities and other financial obligations

	2024	2023
Guarantee obligations on behalf of associates and third parties	173	170
Outstanding orders for projects under construction	13	15
Other	54	80 ¹
Total	240	265

1. 2023 figure restated for comparative purposes.

The contingent liabilities and other financial obligations in the above table are not recognized in the balance sheet.



23. Financial instruments and risks

Policies on financial risks

As an international company, dsm-firmenich is exposed to financial risks in the normal course of business. A major objective for the company is to minimize the impact of market, liquidity and credit risk on the value of the company and its profitability. In order to achieve this, a systematic financial and risk management system has been established. Furthermore, an internal control framework is in place, and the controls are monitored and tested periodically.

The derivative contracts used by dsm-firmenich are entered into exclusively in connection with the corresponding underlying transaction (hedged item) relating to normal operating business. The instruments used are customary products, such as currency swaps, cross-currency interest rate swaps, collars, forward exchange contracts, and interest rate swaps.

An important element of dsm-firmenich's capital management is the allocation of cash flow. dsm-firmenich primarily allocates cash flow to investments aimed at strengthening its business positions and securing the payment of dividends to its shareholders. The remaining cash flow is further used for acquisitions and partnerships that strengthen dsm-firmenich's competences and market positions.

The net debt to equity ratio (gearing) is 10.1% (2023: 8.8%), see also [Note 25 Net debt](#).

Liquidity risk

Liquidity risk is the financial risk that an entity does not have and/or cannot access enough liquid cash and/or assets to meet its

obligations. This can happen if the entity's credit rating falls, or when it experiences sudden unexpected cash outflows or an unexpected drop in cash inflows, or some other event that causes counterparties to avoid trading with or lending to the entity. Additionally, an entity can be indirectly exposed to market liquidity risk if the financial markets on which it depends are subject to loss of liquidity.

The primary objective of liquidity management is to optimize the corporate cash position, among other means by securing availability of sufficient liquidity for the execution of payments by dsm-firmenich entities, at the right time and in the right place.

At 31 December 2024, dsm-firmenich had cash and cash equivalents of €2,667 million (2023: €2,456 million).

During 2024 dsm-firmenich concluded a new €1.8 billion revolving credit facility (RCF) to replace existing RCF arrangements which would have expired in 2025: DSM's €1 billion RCF and Firmenich's CHF 750 million RCF. The syndicated facility, which dsm-firmenich entered into with a group of 15 banks, has a tenor of five years and two one-year extension options. On 15 November 2024, dsm-firmenich entered into a €100 million bilateral revolving credit facility with the same commercial terms and maturity to provide additional financial flexibility. The agreements for the newly arranged committed credit facilities neither contain financial covenants nor material adverse change clauses. At year-end 2024, no loans had been taken up under the committed credit facilities.

In 2023, a bridge financing facility amounting to €1.0 billion was contracted by DSM B.V. The issuance by dsm-firmenich of an €800 million bond on 2 July 2024 reduced the undrawn amount of the bridge financing facility to €200 million. The remaining undrawn amount was canceled on 18 October 2024.

On 13 December 2024, dsm-firmenich concluded a €1.0 billion bridge facility to provide additional financial flexibility in light of upcoming bond maturities. The agreement neither contains financial covenants nor material adverse change clauses. At year-end 2024, no loans had been taken up under the bridge facilities.

Furthermore, DSM B.V. has a commercial paper program amounting to €2.0 billion (2023: €2.0 billion). At 31 December 2024, there were no ECP outstanding (same as 2023).

dsm-firmenich has no derivative contracts to manage currency risk or interest rate risk outstanding under which margin calls by the counterparty would be permitted.

Floating-rate and fixed-rate borrowings and monetary liabilities analyzed by maturity are summarized in the following table. Borrowings excluding credit institutions are shown after taking into account related interest rate derivatives in designated hedging relationships. dsm-firmenich manages financial liabilities and related derivative contracts on the basis of the remaining contractual maturities of these instruments. The remaining maturities presented in the following table provide an overview of the timing of the cash flows related to these instruments.



Liquidity risk of financial liabilities

	Carrying amount	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	After 5 years
2024							
Borrowings	5,280	836	1,589	71	539	33	2,212
Monetary liabilities	3,352	3,325	5	3	3	3	13
Guarantees	173	5	2	-	-	-	166
Derivatives	67	60	7	-	-	-	-
Interest payments	436	67	62	47	47	45	168
Cash at redemption ¹	100	30	26	12	12	12	8
Total	9,408	4,323	1,691	133	601	93	2,567
2023							
Borrowings	4,830	716	633	1,560	47	534	1,340
Monetary liabilities	3,747	3,690	35	6	3	3	10
Guarantees	170	18	1	4	-	-	147
Derivatives	36	28	-	8	-	-	-
Interest payments	201	52	41	33	18	18	39
Cash at redemption ¹	119	27	27	24	12	12	17
Total	9,103	4,531	737	1,635	80	567	1,553

1. Difference between nominal redemption and amortized costs.

The following table reflects the exposure of the derivatives to liquidity risk. It contains the cash flows from derivatives with positive fair values and from derivatives with negative fair values to provide a complete overview of the derivative-related cash flows. The amounts are gross and undiscounted.

Derivatives cash flow

	2024	2025	2026	2027	2028	2029	Total
2024							
Inflow		3,089	24	5	1	11	3,130
Outflow		(3,130)	(31)	(5)	(1)	(11)	(3,178)
2023							
Inflow	2,608	23	13	5			2,649
Outflow	(2,591)	(23)	(21)	(4)			(2,639)



Market risk

Market risk can be subdivided into price risk, interest rate risk, and currency risk.

Interest rate risk

Interest rate risk is the risk that adverse movements of interest rates lead to high costs on interest-bearing debt or assets, which negatively impact our ability to honor our commitments. The aim is to minimize the interest rate risks associated with the financing of the company and thus at the same time optimize the net interest costs. This translates into a certain desired profile of fixed-interest and floating-interest positions, including cash and cash equivalents, with the floating-interest position not exceeding 60% of net debt.

There were no outstanding fixed-floating interest rate swaps (end of 2023: none). The following analysis of the sensitivity of borrowings, assets, and related derivatives to interest rate movements assumes an instantaneous 1% change in interest rates for all maturities from their level on 31 December 2024, with all other variables held constant. A 1% reduction in interest rates would result in a €27 million pre-tax loss in the income statement and equity on the basis of the composition of financial instruments on 31 December 2024, as floating-rate borrowings are more than compensated for by floating-rate assets (mainly cash). The opposite applies in the case of a 1% increase in interest rates.

Sensitivity to change in interest rate

	2024			2023		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
Loans to associates and joint ventures	54	+1%	(1%)	4	+1%	(1%)
Current investments	50	-	-	107	-	-
Cash and cash equivalents	2,667	1	(1)	2,456	1	(1)
Short-term borrowings	(836)	27	(27)	(716)	25	(25)
Long-term borrowings	(4,444)	(1)	1	(4,114)	(1)	1
		-	-	(2)	2	

For more information regarding fixed or floating interest, see [Note 19 Borrowings](#).



Currency risk

Adverse movements of foreign currencies can negatively impact the results of operations and our financial condition, e.g., due to losses on assets or liabilities in foreign currencies. The aim is to hedge risks resulting from sales and purchases at the moment of recognition of the receivables and payables. This is done by transferring at spot rates the respective exposures to the Group, which are, then (on a netted basis), hedged externally.

Companies may opt to hedge currency risks from firm commitments and forecast transactions. The currencies involved are primarily USD and CHF. CNY has significant exposure for the Group. However, it does not meet the threshold for cash flow hedging. We use currency forward contracts, spot contracts, and average-rate currency forwards and options to hedge exposure to fluctuations in foreign exchange rates. At year-end, these instruments had remaining maturities of less than one year. For the hedging of currency risks from firm commitments and forecast transaction cash flows, hedge accounting is applied. Hedge accounting is not applied for hedges of recognized trade receivables and payables hedged with short-term derivatives. To hedge intercompany loans, receivables, and payables denominated in currencies other than the functional currency of the subsidiaries, we use currency swaps or forward contracts. The following table assumes a 10% change in all foreign currency rates against the euro from their level on 31 December 2024, with all other variables constant. A +10% change indicates a strengthening of the foreign currencies against the euro, and vice-versa.

Sensitivity to change in exchange rate

	2024			2023		
	Carrying amount	Sensitivity		Carrying amount	Sensitivity	
Loans to associates and joint ventures	54	+10%	(10%)	4	+10%	(10%)
Current investments	50	1	(1)	107	8	(8)
Cash and cash equivalents	2,667	2	(2)	2,456	48	(48)
Short-term borrowings (excluding lease liabilities)	(746)	48	(48)	(604)	(9)	9
Long-term borrowings (excluding lease liabilities)	(4,010)	(9)	9	(3,783)	(10)	10
Lease liabilities	(524)	(5)	5	(415)	(40)	40
Currency forward contracts	(2)	(40)	40	(12)	(32)	32
Average-rate forwards used for economic hedging ¹	(35)	(2)	(2)	25	(43)	43
Other derivatives	44	(3)	3	40	(5)	5
		1	(1)		1	(1)

1. Fair-value change reported in Hedging reserve.

Sensitivity changes on these positions will generally be recognized in profit or loss or in the Translation reserve in equity, with the exception of the instruments for which cash flow hedge accounting or net-investment hedge accounting is applied. In case of a strengthening or weakening of the euro against USD, CHF and CNY (being the key currencies), this would affect the translation of financial instruments denominated in these currencies taking into account the effect of hedge accounting and assuming all other variables being constant.

	Profit or loss		Equity	
	Strengthening	Weakening	Strengthening	Weakening
EUR				
USD (10% movement)	(38)	38	(345)	345
CHF (10% movement)	(17)	17	(630)	630
CNY (10% movement)	(38)	38	(92)	92



Price risk

Financial instruments that are subject to changes in stock exchange prices or indexes are subject to a price risk. At year-end 2024, mainly other participating interests are subject to price risks.

Credit risk

Credit risk is the risk that a (commercial or financial) counterparty may not be able to honor a financial commitment according to the contractual agreement with dsm-firmenich. The company manages the credit risk to which it is exposed by applying credit limits per institution and by dealing exclusively with institutions that have a high credit rating.

At the balance sheet date, there were no significant concentrations of credit risks.

For all financial assets measured at amortized cost, the estimation of the loss allowance for doubtful accounts receivable is based on an expected credit loss (ECL) model. For trade receivables, dsm-firmenich uses an allowance matrix to measure the lifetime ECL for trade receivables. The loss rates depend among other things on the specified aging categories and are based on historical write-off percentages, taking market developments into account.

For other financial assets, dsm-firmenich applies an ECL model that reflects the size and significance of dsm-firmenich's exposure to credit loss. The ECL is based on the allocation of a credit risk grade which is based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts, cash flow projections, and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from Moody's.

Risk of default is herewith considered as the risk of bankruptcy, or any legal impediment to the timely payment of either interest and/or principal, as well as missed or delayed disbursement of either interest and/or principal. The loss allowance on non-current financial assets taken into consideration at the end of 2024 was €2 million (2023: €0 million).

With regard to treasury activities (for example cash, cash equivalents, and derivatives held with banks or financial institutions) it is ensured that financial transactions are only concluded with counterparties that have at least a Moody's credit rating of A3 for long-term instruments. At Business Unit level, outstanding receivables are continuously monitored by management. Appropriate allowances are made for any credit risks that have been identified in line with the expected credit loss policy.

The development of the outstanding trade accounts receivable per aging category is as follows.

The second table on the following page provides information about the credit risk exposure per aging category and the ECL for trade accounts receivable of €20 million at 31 December 2024 (31 December 2023: €15 million), see [Note 13 Current receivables](#).

The maximum exposure to credit risk is represented by the carrying amounts of financial assets that are recognized in the balance sheet, including derivative financial instruments. dsm-firmenich has International Swaps and Derivatives Association (ISDA) agreements in place with its financial counterparties that allow for the netting of exposures in case of a default of either party,

but do not meet the criteria for offsetting in the balance sheet. The table 'Notional value of derivative financial instruments' further below presents the carrying amounts of the derivative financial instruments subject to these agreements. No significant agreements or financial instruments were available at the reporting date that would reduce the maximum exposure to credit risk.

Information about financial assets is presented in [Note 10 Associates and joint arrangements](#), [Note 11 Other non-current assets](#), [Note 13 Current receivables](#), [Note 14 Financial investments](#) and [Note 15 Cash and cash equivalents](#).

dsm-firmenich may grant corporate guarantees for credit support of subsidiaries and associates, to get access to credit facilities which are necessary for their operating working capital needs and which cannot be funded by the corporate cash pools and/or for bank guarantees needed for local governmental requirements. Information on guarantees is presented in [Note 22 Contingent liabilities and other financial obligations](#).

The changes in the expected credit loss for trade accounts receivable can be found in the two tables on the next page.



Trade accounts receivable per aging category

	2024	2023
Neither past due nor impaired	2,026	2,008
1–29 days overdue	117	100
30–89 days overdue	56	29
90 days or more overdue	39	36
Total	2,238	2,173

Credit risk exposure per aging category

	2024			2023		
	Weighted average loss rate	Gross carrying amount	Expected credit loss	Weighted average loss rate	Gross carrying amount	Expected credit loss
Neither past due nor impaired	0.0%	2,026	(1)	0.1%	2,008	(2)
1–29 days overdue	0.2%	117	-	0.3%	100	-
30–89 days overdue	0.8%	56	-	1.2%	29	-
90 days or more overdue	48.7%	39	(19)	54.2%	36	(25)
Total		2,238	(20)		2,173	(27)

Changes in expected credit loss for trade accounts receivable

	2024	2023
Balance at 1 January	(27)	(12)
Net remeasurement of expected credit loss	4	(5)
Deductions	-	1
Disposals	3	-
Transfers	-	(12)
Exchange differences	-	1
Balance at 31 December	(20)	(27)



Exposure to credit risk related to derivatives

	2024	2023
Receivables from derivatives presented in the balance sheet	74	88
Related amounts not offset in the balance sheet	(18)	(14)
Net amount	56	74
Liabilities from derivatives presented in the balance sheet	(67)	(36)
Related amounts not offset in the balance sheet	18	14
Net amount	(49)	(22)

Notional value of derivative financial instruments

	2024			2023		
	Non-current	Current	Total	Non-current	Current	Total
Cross-currency interest rate swaps	(13)	-	(13)	(25)	(31)	(56)
Forward exchange contracts, currency options, currency swaps	-	(1,822)	(1,822)	(2)	(905)	(907)
Other derivatives	(6)	-	(6)	-	(5)	(5)
Total	(19)	(1,822)	(1,841)	(27)	(941)	(968)



Hedge accounting

dsm-firmenich uses derivative financial instruments to manage financial risks relating to business operations and does not enter into speculative derivative positions.

The purpose of cash flow hedges is to minimize the risk of volatility of future cash flows. These may result from a recognized asset or liability or a forecast transaction that is considered highly probable (firm commitment). dsm-firmenich determines the existence of an economic relationship between the hedging instrument and hedging item based on currency, amount, and timing of their respective cash-flows.

The purpose of a hedge of a net investment is to reduce the foreign currency translation risk of an investment in a company whose functional currency is not the euro. Changes in fair value are recognized in Other comprehensive income (Translation reserve), and ineffectiveness will be recognized in the income statement. The amount recognized in Other comprehensive income will be reclassified to the income statement, upon divestment of the respective foreign subsidiary.

The purpose of a fair value hedge is to hedge the fair value of assets or liabilities reflected on the balance sheet. Changes of fair value in hedging instruments, as well as hedged items, will be recognized in the income statement.

Cash flow hedges

In 2024, dsm-firmenich hedged USD 1,129 million (2023: USD 498 million) of its 2025 projected net cash flow in USD against the euro by means of average-rate currency forward contracts at an average exchange rate of USD 1.091 per EUR for the four quarters of 2025. Each quarter, the relevant hedges for that quarter will be settled and recognized in the income statement.

In 2024, dsm-firmenich also hedged JPY 1,850 million (2023: JPY 7,535 million) of its 2025 projected net cash flow in JPY against the EUR by means of average-rate currency forward contracts at an average exchange rate of JPY 154.4 per EUR for the four quarters of 2025. dsm-firmenich also hedged the projected CHF obligations against the EUR, namely CHF 380 million (2023: CHF 393 million) at an average exchange rate of CHF 0.937 per EUR. These hedges have fixed the exchange rate for part of the USD and JPY receipts and CHF payments in 2025. Cash flow hedge accounting is applied for these hedges. In 2024, €4 million loss was recognized in the operating profit of the segments involved in accordance with the realization of the expected cash flows. There was no ineffectiveness in relation to these hedges. As of the second quarter of 2024, the Group no longer hedges forecast JPY cash flows as the exposure is no longer deemed material.

Cash flow hedges foreign currency risk

	Cash flow hedges foreign currency risk	
	Inventory purchases	Other
2024		
Nominal amount hedged item	10	667
Carrying amount assets	1	6
Carrying amount liabilities	-	(41)
Line item balance sheet	Derivatives	Derivatives
Change in the value of the hedging instrument	-	59
Costs of hedging recognized in OCI	-	63
Reclassified from hedging reserve to income statement	(1)	4
Line item income statement	Cost of sales	Sales
2023		
Nominal amount hedged item	12	108
Carrying amount assets	1	25
Carrying amount liabilities	-	(1)
Line item balance sheet	Derivatives	Derivatives
Change in the value of the hedging instrument	-	(6)
Costs of hedging recognized in OCI	-	(30)
Reclassified from hedging reserve to income statement	2	(24)
Line item income statement	Cost of sales	Sales



Fair value of financial instruments

The fair values of derivatives and long-term instruments are based on calculations, quoted market prices or quotes obtained from intermediaries. The portfolio of derivatives consists of average-rate forward contracts that are valued against average foreign exchange, forward rates obtained from Bloomberg and other derivatives that are valued using a discounted cash flow model, applicable market yield curves and foreign exchange spot rates.

Inputs for the fair value calculations represent observable market data that are obtained from external sources that are deemed to be independent and reliable.

We use the following hierarchy for determining the fair value of financial instruments:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs with a significant effect on the fair value are observable, either directly or indirectly
- Level 3: techniques that use inputs with a significant effect on the fair value that are not based on observable market data

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for the financial assets and financial liabilities measured at amortized cost if the carrying amount is a reasonable approximation of the fair value.

	Carrying amount				Fair Value				
	Amort. Cost	Fair value hedging instr.	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Assets 2024									
Non-current derivatives	-	2	49	-	51	-	51	-	51
Other participating interests	-	-	-	210	210	90	93	27	210
Non-current loans to associates and JVs	54	-	-	-	54	-	-	-	-
Other non-current receivables	127	-	-	-	127	-	-	-	-
Trade receivables	2,589	-	-	-	2,589	-	-	-	-
Other current receivables	129	-	-	-	129	-	-	-	-
Current derivatives	-	23	-	-	23	-	23	-	23
Current investments	50	-	-	-	50	-	-	-	-
Cash and cash equivalents	2,163	-	504	-	2,667	504	-	-	504
Liabilities 2024									
Non-current borrowings	(4,444)	-	-	-	(4,444)	(3,877)	-	-	(3,877)
Non-current derivatives	-	(1)	(6)	-	(7)	-	(1)	(6)	(7)
Other non-current liabilities	(99)	-	(10)	-	(109)	-	-	(10)	(10)
Current borrowings	(836)	-	-	-	(836)	(493)	-	-	(493)
Current derivatives	-	(60)	-	-	(60)	-	(60)	-	(60)
Trade payables	(2,276)	-	-	-	(2,276)	-	-	-	-
Other current liabilities ¹	(284)	-	-	-	(284)	-	-	-	-
Assets 2023									
Non-current derivatives	-	2	44	-	46	-	46	-	46
Other participating interests	-	-	-	576	576	467	78	31	576
Non-current loans to associates and JVs	11	-	-	-	11	-	-	-	-
Other non-current receivables	104	-	-	-	104	-	-	-	-
Trade receivables	2,553	-	-	-	2,553	-	-	-	-
Other current receivables	183	-	-	-	183	-	-	-	-
Current derivatives	-	42	-	-	42	-	42	-	42
Current investments	107	-	-	-	107	-	-	-	-
Cash and cash equivalents	1,526	-	931	-	2,456	931	-	-	931
Liabilities 2023									
Non-current borrowings	(4,114)	-	-	-	(4,114)	(3,482)	-	-	(3,482)
Non-current derivatives	-	(3)	(5)	-	(8)	-	(3)	(5)	(8)
Other non-current liabilities	(101)	-	(45)	-	(146)	-	-	(45)	(45)
Current borrowings	(716)	-	-	-	(716)	(498)	-	-	(498)
Current derivatives	-	(28)	-	-	(28)	-	(28)	-	(28)
Trade payables	(2,174)	-	-	-	(2,174)	-	-	-	-
Other current liabilities ¹	(936)	-	-	-	(936)	-	-	-	-

1. This excludes pensions, employee-related liabilities, and other taxes and social security contributions for an amount of €542 million in 2024 (2023: €397 million) – see also [Note 21 Current liabilities](#).



24. Employee benefits

Accounting policy

Short-term employee benefits

Short-term employee benefits are generally recognized as an expense in the period the employee renders services to dsm-firmenich.

Post-employment benefits: Defined contribution plans

For dsm-firmenich's defined contribution plans, the obligations are limited to the payment of contributions, which are recognized as employee benefit costs.

Post-employment benefits: Defined benefit plans

For defined benefit plans, the aggregate of the value of the defined benefit obligation and the fair value of plan assets for each plan is recognized as a net defined benefit liability or asset. Defined benefit obligations are determined using the projected unit credit method. Plan assets are recognized at fair value. If the fair value of plan assets exceeds the present value of the defined benefit obligation, a net asset is only recognized to the extent that the asset is available for refunds to the employer or for reductions in future contributions to the plan. Defined benefit pension costs consist of three elements: service costs, net interest, and remeasurements. Service costs are part of employee benefit costs and consist of current service costs. Past service costs and results of plan settlements are included in Other operating income or expenses. Net interest is part of Finance income and expenses and is determined on the basis of the value of the net

defined benefit asset or liability at the start of the year, and on the interest on high-quality corporate bonds. Remeasurements are actuarial gains and losses, the return (or interest cost) on net plan assets (or liabilities) excluding amounts included in net interest and changes in the effect of the asset ceiling. These remeasurements are recognized in Other comprehensive income as they occur and are not recycled through profit or loss at a later stage. Post-employment defined benefit plans include pension plans and other post-employment benefits.

Other employee benefits

The service cost, the net interest on the net defined liability (asset) and remeasurements of the net defined liability (asset) related to other long-term employee benefits, such as jubilee and incentive plans, are recognized in profit or loss.

Estimates and judgments

Management makes assumptions regarding variables such as discount rate, future salary increases, life expectancy, and future healthcare costs. Management consults with external actuaries regarding these assumptions at least annually for significant plans. Changes in these key assumptions can have a significant impact on the projected defined benefit obligations, funding requirements, and periodic costs incurred.



Liabilities

The employee benefit liabilities of €550 million (2023: €569 million) consist of €367 million related to pensions (2023: €388 million), €60 million related to other post-employment benefits (2023: €58 million), and €123 million related to other employee benefits (2023: €123 million). See also the table at the end of this note.

The Group also operates a number of defined benefit plans and defined contribution plans throughout the world, the assets of which are generally held in separately administered funds. The pension plans are generally funded by payments from employees and from the relevant Group companies. The Group also provides certain additional healthcare benefits to retired employees in the US and Switzerland.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. Post-employment benefit accounting is intended to reflect the recognition of post-employment benefits over the employee's approximate service period, based on the terms of the plans and the investment and funding.

For 2025, costs for the defined benefit plans relating to pensions are expected to be €90 million.

Changes in net liabilities of the post-employment benefits recognized in the balance sheet are shown in the overview on the following page.

Employee benefit liabilities

	2024	2023
Employee benefit liabilities		
Pension plans and other post-employment benefits	427	446
Other employee benefits	123	123
Total	550	569
Of which current	63	49

Post-employment benefit costs

	2024	2023
Defined benefit plans:		
- Current service costs pension plans	75	55
- Other post-employment benefits	4	4
Defined contribution plans	122	100
Total pension costs included in employee benefit costs	201	159
- Pension costs included in Other operating (income) / expense	-	(1)
Total in operating profit, continuing operations	201	158
Pension costs included in Financial income and expense	9	8
Total continuing operations	210	166
Discontinued operations	-	4
Total	210	170
Of which:		
- Defined contribution plans	122	103
- Defined benefit plans	88	67



Changes in net liabilities of post-employment benefits

	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/asset ceiling	2024 Net liabilities/(assets) recognized in the balance sheet	Funded and unfunded defined benefit obligations	Fair value of plan assets	Impact of minimum funding requirement/asset ceiling	2023 Net liabilities/(assets) recognized in the balance sheet
Balance at 1 January	3,339	(3,030)	93	402	1,708	(1,593)	129	244
Net defined benefit assets				(44)				(19)
Net defined benefit liabilities				446				263
Total				402				244
- Current service cost	79	-	-	79	59	3	-	62
- Interest (expense) / income	60	(52)	1	9	74	(69)	3	8
Total included in income statement	139	(52)	1	88	133	(66)	3	70
<i>Included in other comprehensive income:</i>								
- Loss / (gain) from change in demographic assumptions	2	-	-	2	(6)	-	-	(6)
- Loss / (gain) from change in financial assumptions	70	-	-	70	203	-	-	203
- Experience loss / (gain)	82	-	-	82	20	-	-	20
- Return on plan assets excluding interest income	-	(169)	-	(169)	-	(61)	-	(61)
- Asset ceiling change, excluding movement through income statement	-	-	7	7	-	-	(62)	(62)
Other changes	-	(2)	-	(2)	-	-	-	-
Total included in other comprehensive income	154	(171)	7	(10)	217	(61)	(62)	94
<i>Other</i>								
- Benefits paid (including transfers in and out)	(174)	146	-	(28)	(186)	154	-	(32)
- Contributions by plan participants	48	(48)	-	-	44	(44)	-	-
- Employer contributions	-	(84)	-	(84)	-	(63)	-	(63)
- Settlements	-	-	-	-	(190)	186	-	(4)
- Balance sheet transfer	-	-	-	-	3	-	-	3
- Acquisition / disposals	-	-	-	-	1,480	(1,407)	18	91
- Currency translation adjustment and other	(20)	18	(1)	(3)	130	(136)	5	(1)
Total other	(146)	32	(1)	(115)	1,281	(1,310)	23	(6)
Balance at 31 December	3,486	(3,221)	100	365	3,339	(3,030)	93	402
Net defined benefit assets				(62)				(44)
Net defined benefit liabilities				427				446
Total				365				402



The fair value of the plan assets consists of 74% of quoted assets (2023: 78%).

The pension-plan assets do not include dsm-firmenich shares. In 2025, dsm-firmenich is expected to contribute €78 million (actual 2024: €84 million) to its defined benefit plans in the core countries.

The countries with the most significant defined benefit obligations for dsm-firmenich are specified in the table on the next page.

Pension-plan assets by category

	2024	2023
Equities	896	843
Bonds	1,104	1,061
Derivatives	-	1
Property	603	577
Insurance policies	69	48
Other	447	417
Cash and bank deposits	102	83
Total plan assets	3,221	3,030



Defined benefit plans in core countries

	Switzerland	United States of America	United Kingdom	Germany	Other countries	Total
Defined benefit plans 2023						
Funded and unfunded defined benefit obligations	2,633	197	210	256	43	3,339
Fair value of plan assets	(2,621)	(196)	(200)	(10)	(3)	(3,030)
Net excess of liabilities/(assets) over obligations	12	1	10	246	40	309
Unrecognized assets due to asset ceiling	93	-	-	-	-	93
Net excess of liabilities/(assets) over obligations recognized	105	1	10	246	40	402
Composed of						
Net defined benefit assets	(30)	(14)	-	-	-	(44)
Net defined benefit liabilities	135	15	10	246	40	446
Total changes	105	1	10	246	40	402
Defined benefit plans 2024						
Funded and unfunded defined benefit obligations	2,800	201	196	242	47	3,486
Fair value of plan assets	(2,803)	(214)	(190)	(12)	(2)	(3,221)
Net excess of liabilities/(assets) over obligations	(3)	(13)	6	230	45	265
Unrecognized assets due to asset ceiling	100	-	-	-	-	100
Net excess of liabilities/(assets) over obligations recognized	97	(13)	6	230	45	365
Composed of						
Net defined benefit assets	(35)	(27)	-	-	-	(62)
Net defined benefit liabilities	132	14	6	230	45	427
Total changes	97	(13)	6	230	45	365

Actuarial assumptions for major plans

	Switzerland	United States of America	United Kingdom	Germany
2023				
Discount rate	1.30%	5.00%	4.50%	3.20%
Salary increase	2.25%	3.00%	0.00%	2.80%
Pension increase	0.00%	0.50%	2.93%	2.20%
2024				
Discount rate	0.90%	5.50%	5.50%	3.40%
Salary increase	2.25%	3.00%	0.00%	2.60%
Pension increase	0.00%	1.00%	2.99%	2.00%



Sensitivities of significant actuarial assumptions

The discount rate, the future increase in wages and salaries, and the pension increase rate were identified as significant actuarial assumptions. The following impacts on the defined benefit obligation are to be expected.

- A 0.25% increase/decrease in the discount rate would lead to a decrease/increase of 3.2% (2023: 2.9%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected increase in salaries/wages would lead to an increase/decrease of 0.3% (2023: 0.3%) in the defined benefit obligation
- A 0.25% increase/decrease in the expected rate of pension increase would lead to an increase/decrease of less than 1.7% (2023: 1.6%) in the defined benefit obligation

The sensitivity analysis is based on realistically possible changes as at the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Main defined benefit plans description

The dsm-firmenich Group companies have various pension plans, which are geared to the local regulations and practices in the countries in which they operate. As these plans are designed to comply with the statutory framework, tax legislation, local customs, and economic situation of the countries concerned, it follows that the nature of the plans varies from country to country. The plans are based on local legal and contractual obligations.

dsm-firmenich's current policy is to offer defined contribution retirement benefit plans to new employees wherever possible. However, dsm-firmenich still has a (small) number of defined benefit pension and healthcare schemes from the past or in countries where legislation does not allow us to offer a defined contribution scheme. Generally, these schemes have been funded through external trusts or foundations, where dsm-firmenich faces the potential risk of funding shortfalls. The most significant defined benefit schemes are:

- DSM Nutritional Products (DNP) AG Pension Plan in Switzerland (DNP AG)
- Pension Plan at Firmenich SA in Switzerland
- DSM UK Pension Scheme in the UK
- Pension plan at Firmenich, Inc. in the US
- Pension Plan at DSM Nutritional Products GmbH in Germany (DNP GmbH)

For each plan, the following characteristics are relevant:

DNP AG Pension Plan and Firmenich SA Pension Plan in Switzerland

Both the DNP AG Pension Plan and the Firmenich SA Pension Plan are typical Swiss Cash Balance plans. For accounting purposes, these plans are qualified as defined benefit plans. They are contribution-based plans, with no promise of indexation for on-going pensions. The Swiss state minimum requirements for occupational benefit plans have, however, to be respected.

The purpose of the plans is to protect the dsm-firmenich employees against the economic consequences of retirement, disability, and death. The employer and employees pay

contributions into the pension plan at rates set out in the pension plans rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital.

The weighted average duration of the defined benefit obligation for the DNP AG pension plan is 13.9 years (2023: 13.5 years) and for the Firmenich SA pension plan 15.1 years (2023: 14.3 years), which could be seen as an indication of the maturity profile of the schemes.

According to the Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP/BVG), the Swiss Pension plans are managed by independent and legally autonomous entities which have the legal structure of a foundation. Both plans are managed by different foundations. For both foundations, the Pension Board is composed of employee and employer representatives in equal numbers. Each year, the Pension Boards decide on the level of interest, if any, to apply to the retirement accounts in accordance with the pension policy of the respective pension plan.

The Pension Boards are also responsible for the investment of the assets and defining the investment strategy for long-term returns with an acceptable level of risk. Within each foundation, the plan assets are invested collectively (no individual investment choice is offered).

DSM UK Pension Scheme

The DSM UK Pension Scheme was closed as of 30 September 2016 for all pension accruals. An

unconditional indexation policy is applicable for the vested pension rights.

The weighted average duration of the defined benefit obligation is 12.9 years (2023: 13.9 years), which could be seen as an indication of the maturity profile of the scheme.

The pension plan is managed and controlled by a dsm-firmenich company pension fund. The Board of Trustees consists of representatives of the employer and the employees, who have an independent role.

There is a long-term de-risking strategy for the DSM UK Pension Scheme in place with the objective to align the company's intentions and the Trustees' responsibility with respect to this plan.

Pension plan at Firmenich, Inc. in the US

The plan provides benefits on a defined benefit basis and is closed to all new employees. The plan was also frozen to the majority of current employees for future benefit accruals. The grandfathered group of participants to the defined benefit plan continues to accrue benefits that are payable at retirement and on death in service. With exceptions for optional lump sum amounts for certain sections of the plan, the benefits are paid out as annuities.

The US pension plan is qualified under, and is managed in accordance with, the requirements of US federal law. In accordance with federal law, the assets of the plan are legally separate from the employer and are held in a pension trust. The law requires minimum and maximum amounts that can be contributed to the trust, together with limitations on the amount of



benefits that may be provided under the plan. There are named fiduciaries that are responsible for ensuring the plan is managed in accordance with the law.

The fiduciaries are responsible for defining the investment strategy for long-term returns with an acceptable level of risk as well as the oversight of the investment of plan assets.

The employees do not contribute to the plan and the employer contributes to the plan amounts which are at least equal to the minimum required by the law and not more than the maximum that would limit the tax deductibility of the contributions.

The weighted average duration of the defined benefit obligation is 8.8 years (2023: 9.6 years), which could be seen as an indication of the maturity profile of the scheme.

DNP GmbH Pension Plan in Germany

The DNP GmbH Pension Plan in Germany has been closed to new entrants as of 31 December 2008. The accrual is still applicable for employees who have been participating in the plan since 2008. The pension plan is a final-pay pension plan (averaged over the last 12 months prior to retirement) and service-related benefit.

The liability is on the balance sheet of DSM Nutritional Products GmbH. No assets are allocated to this liability. All reimbursements will be paid out by the local company. The weighted average duration of the defined benefit obligation is 11.4 years (2023: 12.0 years), which could be seen as an indication of the maturity profile of the scheme.

Other employee benefits

Other employee benefits comprise jubilees, long-term incentive (LTI) plans to senior management, and deferred compensation liabilities. The changes in other employee benefits are listed in the table opposite.

Other employee benefits

	Other employee benefits
Balance at 1 January 2023	29
Of which current	4
<i>Changes:</i>	
- Acquisition	97
- Additions	54
- Releases	(15)
- Uses	(43)
- Other change	1
Total changes	94
Balance at 31 December 2023	123
Of which current	49
<i>Changes:</i>	
- Acquisition	-
- Additions	42
- Releases	(1)
- Uses	(50)
- Other change	9
Total changes	-
Balance at 31 December 2024	123
Of which current	63



25. Net debt

The development of the components of net debt is as in the table opposite.

In 2024, the gearing (net debt / equity plus net debt) was 10.1% (in 2023: 8.8%).

	Cash and cash equivalents	Current investments	Non-current borrowings	Current borrowings	Derivatives	Total
Balance at 1 January 2023	2,755	125	(2,978)	(86)	97	(87)
Change from operating activities	1,265	-	-	-	(49)	1,216
Change from investing activities	(726)	(18)	(1,652)	(569)	-	(2,965)
Reclassification from non-current to current	-	-	578	(578)	-	-
Transfers	(610)	-	90	516	4	-
Dividend	(610)	-	-	-	-	(610)
Interest	(61)	-	(19)	-	-	(80)
Proceeds from reissued shares	757	-	-	-	-	757
New/unwinding leases	-	-	(136)	-	-	(136)
Repurchase of shares	(256)	-	-	-	-	(256)
Other	(40)	-	-	-	-	(40)
Change from financing activities	(820)	-	513	(62)	4	(365)
Exchange differences	(18)	-	3	1	-	(14)
Total changes	(299)	(18)	(1,136)	(630)	(45)	(2,128)
Balance at 31 December 2023	2,456	107	(4,114)	(716)	52	(2,215)
Change from operating activities	1,778	-	-	-	(47)	1,731
Change from investing activities	(252)	(57)	39	2	-	(268)
Reclassification from non-current to current	-	-	670	(670)	-	-
Transfers	138	-	(810)	671	1	-
Dividend and remuneration perpetual notes	(695)	-	-	-	-	(695)
Interest	(67)	-	(37)	(8)	-	(112)
Proceeds from (re)issued shares	21	-	-	-	-	21
New/unwinding leases	-	-	(189)	(8)	-	(197)
Repurchase of shares	(706)	-	-	(105)	-	(811)
Other	(25)	-	-	-	-	(25)
Change from financing activities	(1,334)	-	(366)	(120)	1	(1,819)
Exchange differences	19	-	(3)	(2)	1	15
Total changes	211	(57)	(330)	(120)	(45)	(341)
Balance at 31 December 2024	2,667	50	(4,444)	(836)	7	(2,556)



26. Notes to the cash flow statement

The cash flow statement explains the changes in cash and cash equivalents. It is prepared via a comparison of the balance sheets at 1 January and 31 December. Changes that do not involve cash flows, such as changes in exchange rates, amortization, depreciation, impairment losses, and transfers to other balance sheet items, are eliminated. Changes in working capital due to the acquisition or disposal of consolidated companies are included under Investing activities.

The consolidated cash flow statement includes an analysis of all cash flows in total, including continuing and discontinued operations. For amounts related to discontinued operations split by activities and a reconciliation of results from continuing operations to total, see [Note 3 Change in the scope of the consolidation](#).

Most of the changes can be traced back to the detailed statements of changes for the balance sheet items concerned. For those balance sheet items for which no detailed statement of changes is included, the table opposite shows the link between the change according to the balance sheet and the change according to the cash flow statement.

Change in operating working capital

	2024	2023
Operating working capital		
Balance at 1 January	3,769	2,432
Balance at 31 December ¹	3,603	3,769
Balance sheet change	(166)	1,337
<i>Adjustments:</i>		
- Exchange differences	(4)	47
- Changes in consolidation (including acquisitions and disposals)	122	(1,899)
- Transfers/non-cash value adjustments ¹	7	251
Total change in operating working capital according to the cash flow statement	(41)	(264)

1. 2023 figure restated for comparative purposes.

In 2024, the operating working capital continuing operations was €3,603 million (2023: €3,769 million), which amounts to 27.7% of annualized fourth-quarter net sales (2023: 30.3%).

The cash flow relating to acquisitions (-€5 million) is limited in 2024. The disposal of businesses of €42 million consists of the cash-related part of the consideration (€118 million) minus the cash in the divested companies (€21 million) and the divestment-related costs and tax settlements (€55 million). See also [Note 3 Change in the scope of the consolidation](#).

The proceeds from disposals of other financial assets of €397 million mainly relate to the sale of 386,732 shares and 102,000 share certificates of Robertet S.A. in November 2024. See also [Note 11 Other non-current assets](#).

In the repurchase of shares of €706 million, an amount of €654 million was related to the statutory buy-out of 6.7 million non-tendered shares of DSM B.V. In 2024, the liability including interest of €5 million was settled by paying the fair share price plus statutory interest minus distributions (€572 million) to shareholders who transferred 5.9 million of their unencumbered right to the shares to the Company, and by paying €82 million into consignment with the Dutch consignment office for the remaining 0.8 million shares not offered within the transfer period. The unencumbered title to these shares transferred to the Company by operation of law.



27. Share-based compensation

Accounting policy

Share-based compensation at dsm-firmenich consists of the award of Performance Share Units (PSUs), Restricted Share Units (RSUs), and stock options to eligible employees.

PSUs and RSUs generally vest after three years on the achievement of predefined vesting conditions. The cost of PSUs and RSUs is measured by reference to the fair value of the dsm-firmenich shares on the date on which the PSUs and RSUs were granted or modified. The cost is recognized in profit or loss (Employee benefit costs) during the vesting period, together with a corresponding increase in equity. Vesting conditions other than market conditions are considered by adjusting the number of equity instruments, so that the amount recognized during the vesting period in employee benefit costs is based on the number of share units that eventually vest.

Estimates and judgments

Key estimates related to share-based compensation costs for PSUs and RSUs are the estimation of fair values of the share units on the grant or modification date, and the number of share units that will vest. An independent third party conducts the fair value calculation as far as vesting is tied to market conditions, using the Monte Carlo method.

Restricted and Performance Share Unit Plan

The dsm-firmenich Restricted and Performance Share Unit Plan provides rules for the grant of RSUs and/or PSUs to eligible employees. Considering the plan rules that allow multiple grant dates, best practice is to effectuate the grant of share units on the last trading day at the Amsterdam Stock Exchange in March. In principle, PSUs will be granted; RSUs may be granted in specific circumstances.

Subject to the plan, the 2024 grant was conducted on 28 March 2024. This grant concerned the Members of the Executive Committee and the eligible members of the Global Management Team (i.e., the group of (senior) leaders considering their job level). The performance period of this grant ends on 31 December 2026; vesting will be effectuated on 28 March 2027.

The number of share units to be granted is based on job level, contribution, and the face value of the dsm-firmenich share over a reference period. As a result, the number of share units to be granted annually will fluctuate with the share price development.

RSUs and PSUs are subject to a vesting period of three years starting at the grant date. Vesting of RSUs is subject to continued employment until the vesting date ('time vesting'). In addition, vesting of PSUs is also subject to the achievement of predefined performance targets at the end of the performance period. In view of the merger of equals between DSM and Firmenich in 2023, it was decided (as included in the Offering Circular) that the PSUs granted under DSM's Long-Term Incentive plan in 2021 and 2022, respectively, shall vest against the

average of the vesting result achieved over the vesting that occurred in 2020, 2021 and 2022. Non-vested share units will be forfeited. If employment is terminated prior to the vesting date, specific rules regarding vesting and forfeitures apply.

In line with the Articles of Association and the respective plan rules, fifty percent of the Base Fee due to the Members of the Board of Directors has been delivered in RSUs. The 2024 grant was implemented on 8 May 2024 and concerns the period between the 2024 AGM and the 2025 AGM. In principle, the vesting term is three years. However, if a board mandate ceases for whatever reason within such vesting period, outstanding unvested RSUs will vest (in full or pro-rated) as per the effective date of such cessation, subject to a one-year holding period.

The 2024 grant of PSUs under the dsm-firmenich Restricted- and Performance Share Unit Plan to Members of the Executive Committee and other eligible employees is based on the at target level; in 2024 this concerned 463,542 (2023: 413,083) share units.

The grant to the Members of the Board of Directors concerns 50% of the applicable Base Fee and involved 13,714 (2023: 18,239) RSUs in 2024.



At former DSM, the grants to the Executive Committee were based on the maximum number to vest while the grant to other eligible employees is – as of 2021 – based on the ‘at-target’ grant level (in previous years this was the ‘maximum number’ that could vest). This ‘at-target’ grant level includes RSUs as well as PSUs. The 2021 grant vested 31 March 2024. In accordance with the Offering Circular, the vesting percentage for the Managing Board/ Executive Committee was 123.75% of the at target grant (or 82.5% of the maximum to vest i.e., the number initially granted). For other eligible employees, all outstanding RSUs vested at the vesting date, while the vesting percentage for the PSUs was 160% of the at target grant. In total 47,430 RSUs and 106,509 PSUs vested.

In September 2022, a group of senior key employees (excluding the Co-CEOs) at former DSM received an RSU grant, which was subject to completion of the merger between DSM and Firmenich. As the merger was completed, the RSUs were finally granted. Upon vesting, the respective grant will be settled in cash. These cash-settled RSUs vest in September 2025 and have a fair value on 31 December 2024 of €97.72 (31 December 2023: €92.00).

Overview of share units granted to Members of the Board of Directors

Year of grant	Outstanding at 31 Dec. 2023	In 2024			Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
		Granted	Vested	Forfeited/ expired			
2023	18,239	-	(1,198)	-	17,041	80.21	30 Sep 2026
2024	-	13,714	-	-	13,714	106.05	08 May 2027
2024 Total	18,239	13,714	(1,198)	-	30,755		
	at 31 Dec. 2022				at 31 Dec. 2023		
2023 Total	-	18,239	-	-	18,239		

Overview of share units Executive committee and other eligible employees

Year of grant	Outstanding at 31 Dec. 2023	In 2024			Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
		Granted	Vested ¹	Forfeited/ expired			
2021	118,040		(113,475)	(4,565)	-	144.30	31 Mar 2024
2022	103,461		(17,357)	(6,700)	79,404	162.50	31 Mar 2025
2023	406,966	434	(22,378)	(28,923)	356,099	97.67	31 Mar 2026
2024	-	463,542	(729)	(13,565)	449,248	106.32	28 Mar 2027
2024 Total	628,467	463,976	(153,939)	(53,753)	884,751		
	at 31 Dec. 2022				at 31 Dec. 2023		
2023 Total	458,049	413,263	(216,153)	(26,692)	628,467		

1. Restricted- and Performance Share Units may partly vest upon termination of employment in connection with, for example, divestments, retirement or early retirement.

Overview of cash-settled RSUs

Year of grant	Outstanding at 31 Dec. 2023	In 2024			Outstanding at 31 Dec. 2024	Share price at date of grant (€)	Expiry date
		Granted	Vested	Forfeited/ expired			
2022	94,089	-	(11,860)	(5,823)	76,406	117.45	30 Sep 2025



Measurement of fair value

The following assumptions were used to determine the fair value of the equity-settled share units at grant date.

Share-based compensation

An amount of €35 million is included in the costs for wages and salaries for share-based compensation (2023: €29 million).

Assumptions equity-settled share units

	2024	2023
Share units granted to Board of Directors		
Risk-free rate ¹	3.34%	3.45%
Expected share life in years ²	1	1
Nominal share life in years	1	1
Share price in € ¹	107.35	80.13
Expected dividend in €	2.50	1.00
Fair value of share granted in €	100.26	79.16
Share units granted to ExCo and other eligible employees		
Risk-free rate ¹	2.53%	2.79%
Expected share life in years	3	3
Nominal share life in years	3	3
Share price in € ¹	105.40	100.50
Expected dividend in €	2.50	1.00
Fair value of share granted in €	98.30	97.67

1. The differences in the risk-free rate and share price are due to different grant dates.

2. The RSUs granted to the BoD relate to a one-year service period (between two consecutive AGMs), they vest however only after three years.

Share-based compensation

	2024	2023
Equity-settled share units	31	23
Cash-settled share units	4	6
Total expense	35	29



28. Related parties

Accounting policy

We identified key management personnel, associates, and joint ventures as related parties. For associates and joint ventures, see also [Note 10 Associates and joint arrangements](#).

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, as defined by IAS 24 'Related Parties'. IAS 24 requires the disclosure of the remuneration of key management personnel divided into: short-term employee benefits (salary and short-term incentive), post-employment (pension expenditure) and other long-term benefits, termination benefits, and share-based payment cost (share-based compensation).

Transactions with associates and joint ventures

We may issue guarantees as credit enhancement of associates to acquire bank facilities for these associates. dsm-firmenich has provided guarantees to third parties for debts of associates for an amount of €21 million (2023: €28 million). Expected credit losses for receivables from related parties amount to zero (same as 2023).

Other related-parties disclosures relate entirely to key management of dsm-firmenich, being represented by the company's management.

Transactions with associates and joint ventures

	2024	2023
Sales to	44	12
Purchases from	139	105
Loans to	54	11
Receivables from	39	17
Payables to	18	5
Interest from	1	-
Commitments to	12	6



Key management personnel

The Members of the Board of Directors (BoD) and the Members of the Executive Committee (ExCo) of dsm-firmenich meet the definition of key management personnel. Personnel expenses are recognized in the corresponding service period.

The Members of the BoD and ExCo of dsm-firmenich were appointed effective 18 April 2023. The remuneration over the reporting year and over the reference period starting 18 April 2023 up to and including 31 December 2023 is shown in the first table on the right.

The second table on the right shows the remuneration expenses for the Supervisory Board, Managing Board and Executive Committee of former DSM who were in position up to and including 17 April 2023.

Remuneration expenses BoD and ExCo DSM-Firmenich AG

x € thousand	2024	2023 ²
Base salary / Committee fee in cash	9,183	6,841
Employer pension contribution	1,395	807
Short-Term Incentive	11,693	3,973
Share-based compensation ¹	8,261	4,401
Other	5,493	1,498
Subtotal	36,024	17,520
Employer social securities	1,646	585
Total	37,670	18,105

1. Represents the expenses of Performance Share Units (PSUs) awarded according to IFRS rules. These costs are considered over the vesting period and therefore cover several years.

2. This concerns the period from 18 April 2023 (inception of DSM-Firmenich AG) until 31 December 2023.

Remuneration expenses SB, MB, and EC of former DSM (for the period 1 January until 17 April 2023 inclusive)

x € thousand	2024	2023
Base salary / Supervisory Board fees	-	2,391
Employer pension contribution	-	471
Short-Term Incentive ¹	-	869
Share-based compensation ²	-	2,518
Other ³	-	16,562
Total	-	22,811

1. Short-Term Incentive (STI) based on target level minus weight of Adjusted EBITDA target.

2. Represents the expenses of Performance Share Units (PSUs) awarded according to IFRS rules. These costs are considered over the vesting period and therefore cover several years.

3. Includes benefits, severance payments for ExCo Members that left the company because of the merger, special payments as included in the Offering Circular (issued 22 November 2022) related to the merger, settlement DSM STI Deferral and Matching Plan, social security contributions and obligations following Article 32bb of the Dutch Wage Tax Act (1964).



29. Events after the balance sheet date

On 11 February 2025, dsm-firmenich announced the sale of its Feed Enzymes business to Novonosis, a global leader in biosolutions, for €1.5 billion. At dsm-firmenich, the feed enzymes business is currently part of the Animal Nutrition & Health Business Unit, which itself will be separated from the Group to operate under new ownership, as announced in February 2024, and represented approximately €300 million in total annual net sales in 2024. dsm-firmenich expects to receive approximately €1.4 billion net in cash, after transaction costs and capital gains tax, and anticipates a book profit on the transaction to be recognized upon closing. This transaction is expected to be completed in the course of 2025, subject to customary conditions and regulatory approvals. The announced sale of the feed enzymes business is subject to held-for-sale conditions only met after the reporting date and therefore do not impact the dsm-firmenich's Consolidated Financial Statements at year-end 2024.

On 25 February 2025, dsm-firmenich successfully launched a €750 million bond with an 11-year maturity due in 2036, at a coupon of 3.375%. The bond is issued by DSM B.V. and is guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure (see also [Note 14 Guarantee obligations](#) to the Parent Company Financial Statements). The proceeds of the new bond will be used for general corporate purposes, including the refinancing of existing indebtedness.

The re-offer price for the 11-year bond tranche was 98.875%. Based on this price, the yield is 3.500%. The bonds are listed on the Luxembourg Stock Exchange. As a consequence of the bond issuance the undrawn amount of €1.0 billion bridge facility will be reduced to €250 million (see also [Note 23 Financial instruments and risks](#)).



Statutory Auditor's Report

To the General Meeting of DSM-Firmenich AG, Kaiseraugst

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of DSM-Firmenich AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 205 to 277) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF GOODWILL

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF GOODWILL

Key Audit Matter

As of 31 December 2024, the consolidated financial statements included goodwill amounting to EUR 11,247 million.

Goodwill is assessed for impairment by management at least annually by determining the recoverable amount (the higher of its value in use and fair value less costs of disposal), which is then compared to the carrying amount.

Management applies judgment in assessing the cash flow projections of the (groups of) cash generating units ("CGUs") at which level goodwill is allocated and determining the relevant valuation assumptions.

Valuation of goodwill is a key audit matter because the impairment test process is complex. It involves a high degree of management judgment and assumptions, such as cash flow forecasts, growth rates and discount rates of the CGUs, being used in the Group's impairment tests.

For further information on the valuation of goodwill refer to the following:
- Note 8. Goodwill and intangible assets

Our response

We obtained and documented our understanding of the impairment testing process, the sensitivity analysis and tested the design and implementation of the relevant controls therein.

We assessed the determination of the CGUs taking into account the IFRS accounting standards and our knowledge of the organisation, structure and governance of the dsm-firmenich Group.

We evaluated the accuracy of impairment tests, the reasonableness of the key assumptions used to determine the recoverable amounts – including long term growth rates and discount rates based on our understanding of the related CGUs' cash flow projections – and the methodology used by management to prepare its cash flow forecasts.

We involved our in-house valuation specialists with specialized skills and knowledge who assisted in assessing the reasonableness of the discount rates and long-term growth rates through testing the source information underlying their determination, and in developing a range of independent estimates and comparing those to the discount and long-term growth rates applied by management.

We assessed the Group's ability to accurately prepare cash flow projections for their CGUs by comparing the actual financial performance to the projections made earlier.

We also considered the adequacy of the disclosures on impairment testing and sensitivity tests in the consolidated financial statements.



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the

preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or

conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most



significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have also been engaged by the Board of Directors to assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2024 with the relevant requirements set out in the ESEF Regulation that are applicable to the consolidated financial statements.

For the Group it relates to:

- The consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF regulation.

In our opinion, the consolidated financial statements of the Group as at 31 December 2024, identified as DSM-Firmenich_consolidated_ESEF_31-12-2024.zip have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Petra Groenland van der Linden

Licensed Audit Expert
Auditor in Charge

Carlos Alvarez

Licensed Audit
Expert

Basel, 27 February 2025

Enclosure:

- Financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement and notes)



A woman and a young child are in an orange grove. The woman, wearing a pink long-sleeved shirt, is reaching up with her right hand towards a cluster of ripe oranges on a tree branch. The child, wearing a white shirt, is standing next to her, looking up at the oranges. The background is filled with lush green leaves and many more oranges hanging from the trees. The scene is brightly lit, suggesting a sunny day. The overall mood is peaceful and natural.

Parent Company Financial Statements

Balance sheet at 31 December of DSM-Firmenich AG

	Notes	2024 EUR	2024 Values in CHF	2023 EUR	2023 Values in CHF
in million					
Assets					
Cash and cash equivalents		-	-	-	-
Other short-term receivables from companies in which the entity holds an investment	<u>2</u>	-	-	626	580
Other short-term receivables from other group companies	<u>2</u>	52	49	711	658
Prepaid expenses and accrued income		1	1	1	1
Total current assets		53	50	1,338	1,239
Investments	<u>3</u>	34,758	32,714	34,123	31,599
Total non-current assets		34,758	32,714	34,123	31,599
Total assets		34,811	32,764	35,461	32,838
Liabilities and shareholders' equity					
Trade accounts payable to third parties		5	4	4	4
Short-term liabilities	<u>4/9</u>	109	103	649	601
Other short-term payables to third parties	<u>4</u>	5	4	2	2
Other short-term payables to other group companies	<u>4</u>	83	78	51	47
Accrued expenses	<u>5</u>	8	8	6	6
Total current liabilities		210	197	712	660
Total non-current liabilities		-	-	-	-
Total liabilities		210	197	712	660
Share capital	<u>6</u>	3	3	3	3
Legal capital reserves:					
- Reserves from capital contributions	<u>7</u>	22,771	21,432	23,145	21,432
- Other capital reserves	<u>7</u>	7,687	7,235	7,687	7,118
Legal retained earnings					
- Reserves for treasury shares	<u>8</u>	-	-	44	41
Forward contracts to repurchase shares	<u>9</u>	(109)	(103)	-	-
Treasury shares	<u>9</u>	(40)	(38)	-	-
Available earnings:					
- Profit brought forward		3,622	3,409	-	-
- Profit for the period		667	629	3,870	3,584
Total shareholders' equity		34,601	32,567	34,749	32,178
Total liabilities and shareholders' equity		34,811	32,764	35,461	32,838

The accompanying notes are an integral part of these Parent Company Financial Statements.



Income statement of DSM-Firmenich AG

	Notes	2024	2024	2023	2023
in million		EUR	Values in CHF	EUR	Values in CHF
Dividend income	10	673	634	3,924	3,634
Other operating income	12	37	35	20	19
Other finance income	13	8	8	15	14
Total income		718	677	3,959	3,666
Personnel expenses	11	28	26	15	14
Other operating expenses	12	16	15	55	51
Finance expense	13	6	6	19	18
Taxes		1	1	-	-
Total expenses		51	48	89	82
Profit for the period		667	629	3,870	3,584

The accompanying notes are an integral part of these Parent Company Financial Statements.





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1. Principles

General aspects

DSM-Firmenich AG is a stock corporation (*Aktiengesellschaft*) incorporated and domiciled in Switzerland. The Company is based in Kaiseraugst, Switzerland. DSM-Firmenich AG is the holding company of the operating companies of the dsm-firmenich Group (Group), which is a leading supplier in nutrition, health, and beauty.

The fiscal year-end of DSM-Firmenich AG is 31 December. These financial statements of DSM-Firmenich AG were prepared in accordance with Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

The financial statements are presented in euros (EUR or €); the Swiss franc (CHF) values are presented for the purposes of comparison and have been calculated by applying the period-end FX-rate. All values in the financial statements are rounded to the nearest million, except when otherwise indicated. Any main accounting policies applied in the preparation of these financial statements that are not already specified by law, i.e., by the Swiss Code of Obligations, are outlined below in the applicable notes.

DSM-Firmenich AG is presenting consolidated financial statements according to IFRS Accounting Standards. In line with art. 961d of the Swiss Code of Obligations, DSM-Firmenich AG decided to forego presenting the additional information in the notes, the cash flow statement, and the management report.

Currency

The Company's currency – as legally determined by the Articles of Association – is EUR, which is also the functional currency. The Company changed its currency, i.e., the denomination of its share capital in the Articles of Association of the Company, from CHF to EUR as of 1 January 2023, as adopted by the Extraordinary General Meeting on 18 April 2023. The Company has determined that for DSM-Firmenich AG as the holding company, the primary economic environment is in EUR due to its public listing in EUR on the Euronext in Amsterdam (Netherlands) as of 18 April 2023.

The income statement transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Assets and liabilities denominated in a foreign currency are translated into EUR at period-end exchange rates.

As required by the Swiss Code of Obligations (cf. art. 958d para. 3), the financial statements are also presented in the national currency, being CHF. The following EUR/CHF exchange rates have been applied in these financial statements to translate the balance sheet and income statement:

Closing rate on 31.12.2023: 0.9260
Closing rate on 31.12.2024: 0.9412

Summary of the accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

Investments

Investments in companies where the entity holds an investment are valued at acquisition cost less adjustments for impairment of value.



2. Other short-term receivables

Other short-term receivables from companies in which the entity holds an investment

The receivable from DSM B.V. of €626 million (CHF 580 million) end of 2023 – representing the non-tendered shares in the share capital of DSM N.V. (now DSM B.V.) that DSM-Firmenich AG was to acquire through a buy-out-procedure – was settled in the reporting year.

Other short-term receivables from other group companies

The Other short-term receivables consist of a receivable of €10 million (CHF 9 million); 2023: €692 million (CHF 640 million) from the in-house cash pool and a receivable from other group companies of €42 million (CHF 39 million); 2023: €20 million (CHF 18 million) composed of recharges of corporate service costs and remuneration of key personnel. See also [Note 12 Other operating income and expenses](#).

3. Investments

Companies in which DSM-Firmenich AG holds an investment are valued at acquisition cost less adjustments for impairment of value. The investments consist of the direct equity share in DSM B.V., Firmenich International SA and DSM Re Switzerland AG.

In 2024, DSM-Firmenich AG acquired DSM Re Switzerland AG (€ 8.1 million / CHF 7.7 million) and Bergere Limited (€ 0.6 million / CHF 0.6 million) from subsidiaries of the Group. Subsequently, Bergere Limited was merged with and into DSM Re Switzerland AG.

End of the year 2023, the Company held a total of 167,321,557 DSM B.V. shares, representing approximately 96.1% of DSM's aggregate issued and outstanding share capital. The remaining 3.9% of DSM's shares (6,696,477) were acquired in the reporting year via a buy-out procedure in accordance with section 2:359c of the Dutch Civil Code (DCC). The buy-out price excluding interest amounted to €93.42 per share.

A review for impairment was performed based on current market considerations, assessing whether market expectations on delivering the merger results of the initial deal closed in May 2023 significantly changed until 31 December 2024. This review did not lead to an impairment of the Company's investments in the period.

Investees directly held by DSM-Firmenich AG

in million	Domicile	Carrying amount at 31.12.2024 in EUR	Carrying amount at 31.12.2024 values in CHF	Nominal share capital at 31.12.2024	Share in capital / voting rights in % at 31.12.2024
2024					
DSM B.V. Firmenich International SA	Maastricht (NL)	20,472	19,268	€ 261	100 / 100
DSM Re Switzerland AG	Satigny (CH) Schaffhausen (CH)	14,277 9	13,438 8	CHF 41 CHF 6	100 / 100 100 / 100
Total 31 December 2024		34,758	32,714		
2023					
DSM B.V. Firmenich International SA	Heerlen (NL) Satigny (CH)	19,846 14,277	18,378 13,221	€ 261 CHF 41	96.1 / 96.1 100 / 100
Total 31 December 2023		34,123	31,599		



Significant indirect investees in which DSM-Firmenich AG has control

Company name	Country	Share in capital	Currency	Share capital in thousands
Indirect investees via DSM B.V.				
DSM Nutritional Products Australia Pty Limited	Australia	100	AUD	17,500
DSM Austria GmbH	Austria	100	EUR	35
DSM Produtos Nutricionais Brasil S.A.	Brazil	100	BRL	1,624,415
DSM Nutritional Products Canada Inc.	Canada	100	USD	228,000
DSM Vitamins (Shanghai) Ltd.	China	100	USD	66,950
DSM Andre Pectin, Co. Ltd. (formerly: Yantai Andre Pectin, Co. Ltd.)	China	75	CNY	313,000
DSM Vitamins Trading (Shanghai) Co., Ltd.	China	100	USD	200
DSM Nutritional Products France SAS	France	100	EUR	63,998
DSM Nutritional Products GmbH	Germany	100	EUR	1,000
Istituto delle Vitamine S.p.A.	Italy	100	EUR	2,580
DSM Japan K.K.	Japan	100	JPY	100,000
DSM Nutritional Products Mexico SA de CV	Mexico	100	MXN	10,000
DSM NL Services B.V.	Netherlands	100	EUR	15,882
DSM Food Specialties B.V.	Netherlands	100	EUR	453
DSM Finance B.V.	Netherlands	100	EUR	1,849,336
DSM Nutritional Products Iberia SA	Spain	100	EUR	261
DSM Nutritional Products Europe AG	Switzerland	100	CHF	1,000
DSM Nutritional Products AG	Switzerland	100	CHF	50,000
DSM Nutritional Products, LLC	United States	100	USD	129,829
DSM Holding Company USA, Inc.	United States	100	USD	1
DSM Biomedical Inc.	United States	100	USD	302
I-Health, Inc.	United States	100	USD	0.1
DSM Food Specialties USA, Inc.	United States	100	USD	0.1
First Choice Ingredients, Inc.	United States	100	USD	0.3
Indirect investees via Firmenich International SA				
Firmenich & Cia. Ltda.	Brazil	100	BRL	77,151
Firmenich Aromatics (China) Co., Ltd.	China	100	CNY	564,605
ArtSci Biology Technologies Co. Ltd	China	100	CNY	20,000
Les Dérivés Terpéniques et Résiniques	France	100	EUR	19,961
Firmenich Aromatics Production (India) Private Limited	India	100	INR	2,322,400
PT Firmenich Indonesia	Indonesia	100	IDR	5,305,000
PT Firmenich Aromatics Indonesia	Indonesia	100	IDR	45,097,500
Firmenich de Mexico S.A. de C.V.	Mexico	100	MXN	104,327
Firmenich Asia Private Ltd.	Singapore	100	SGD	6,000
Firmenich SA	Switzerland	100	CHF	30,000
Firmenich Finance SA	Switzerland	100	CHF	100
Firmenich, Inc.	United States	100	USD	31,350
Chem-Fleur Incorporated	United States	100	USD	27,641
MCP Foods Inc. California	United States	100	USD	5,000
Intercit Incorporated	United States	100	USD	567
Firmenich DISC Inc.	United States	100	USD	3
Aromatic Technologies, Inc.	United States	100	USD	163,603



4. Short-term liabilities and payables

Short-term liabilities

In 2024, DSM-Firmenich AG acquired via a buy-out in accordance with section 2:359c of the Dutch Civil Code (DCC) the remaining 3.9% of DSM B.V.'s ordinary shares (6,696,477). The price agrees to the closing price of dsm-firmenich's share on 3 May 2023: €116.00. In 2023, a liability toward the non-tendered shareholders was recognized in the amount of €649 million (CHF 601 million) including €24 million (CHF 22 million) of accrued interest.

In 2024, DSM-Firmenich AG concluded an equity forward contract to purchase one million own shares. The Company will take delivery of the shares against payment of the forward price of €109 million on 24 April 2025. This liability is recognized in Short-term liabilities.

Other short-term payables to third parties

On 31 December 2023: €1 million (CHF 1 million) payable to pension funds is included in Other short-term payables to third parties. On 31 December 2024: the amount payable to pension funds is €0.1 million (CHF 0.1 million).

Short-term payables to other Group companies

Other short-term payables to other Group companies mainly comprise in-house cash pool balances.

On 31 December 2023, the balance included the charges by DSM Services B.V. to DSM-Firmenich AG for its share in the merger transaction costs of €49 million / CHF 45 million and in the costs of the Investor Relations department.

5. Accrued expenses

Accrued expenses are mainly related to remuneration of key personnel.



6. Share capital

On 20 April 2023, DSM-Firmenich AG decreased the share capital of the Company from CHF 100,000 to CHF 0 and changed the currency of its share capital from CHF to EUR with retrospective effect from 1 January 2023.

Subsequently, DSM-Firmenich AG increased its share capital in 2023 in four tranches as shown in the table opposite.

On 31 December 2024, the capital amounted to €2.7 million (CHF 2.5 million), consisting of 265,676,388 shares (same on 31 December 2023). All DSM-Firmenich AG shares have a nominal value of €0.01 each. The outstanding shares provide an entitlement of one vote per share at the General Meeting. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Nominal share capital

in thousand	EUR	Values in CHF
Nominal capital		
Opening balance in CHF on 1 January 2023		100
Capital decrease of 100,000 shares at CHF 1.00 on 20.04.2023		(100)
Share capital increases		
Capital increase of 150,742,711 shares at €0.01 on 20.04.2023	1,507	1,481
Capital increase of 16,578,846 shares at €0.01 on 03.05.2023	166	163
Capital increase of 6,696,477 shares at €0.01 on 08.05.2023	67	66
Capital increase of 91,658,354 shares at €0.01 on 08.05.2023	917	901
Closing balance on 31 December 2023	2,657	2,611
Exchange difference	-	(110)
Closing balance on 31 December 2024	2,657	2,501



7. Legal capital reserves

The Legal capital reserves' movements occurred in 2023 are explained in [Note 6 Share capital](#). The share issuance costs have been offset against the Legal capital reserves.

On 7 May 2024, the Board of Directors proposed to the Annual General Meeting a dividend distribution of €663 million (CHF 623 million). The Annual General Meeting approved the proposed appropriation of available earnings and Reserves from capital contributions. The total distributed dividend amounted to €660 million (CHF 621 million) and was paid out on 16 May 2024 as follows: €414 million (CHF 390 million) out of the Reserves from capital contributions and €246 million (CHF 231 million) out of available earnings.

Legal capital reserves

in million	EUR	Values in CHF
2023		
- Cash contributions 2022 (opening balance 1 January 2023)	1	1
- Capital increase 1 – contribution in kind on 20.04.2023	17,975	16,644
- Capital increase 2 – contribution in kind on 03.05.2023	1,870	1,732
- Capital increase 3 – 08.05.2023 (issued at nominal value)	-	-
- Capital increase 4 – contribution in kind on 08.05.2023	10,776	9,979
- Paid-in capital surplus ¹	732	678
- Dividend distribution	(425)	(394)
- To reserve for treasury shares	(44)	(41)
- Accrued interest on announced buy-out DSM N.V. shares	(24)	(22)
- Other expenditures related to the share issuance	(29)	(27)
Closing balance on 31 December 2023	30,832	28,550
Of which:		
- Reserves from capital contributions	23,145	21,432
- Other capital reserves	7,687	7,118
2024		
- Opening balance 1 January 2024	30,832	28,550
- Exchange difference		469
- Dividend distribution	(414)	(390)
- From reserve for treasury shares	44	42
- Accrued interest on announced buy-out DSM N.V. shares	(4)	(4)
Closing balance on 31 December 2024	30,458	28,667
Of which:		
- Reserves from capital contributions	22,771	21,432
- Other capital reserves	7,687	7,235

¹ Related to capital increase 3, see also [Note 6 Share capital](#).



Reconciliation Legal capital reserves and Share premium as per consolidated financial statements

in million	2024		2023	
	EUR	Values in CHF	EUR	Values in CHF
Legal capital reserves as per statutory financial statements of DSM-Firmenich AG	30,458	28,667	30,832	28,550
Capital increase 1 – contribution in kind on 20.04.2023	(17,975)	(16,918)	(17,975)	(16,645)
Capital increase 2 – contribution in kind on 03.05.2023	(1,870)	(1,760)	(1,870)	(1,732)
Reserve for treasury shares	-	-	44	41
Accrued interest on announced buy-out DSM B.V. shares	28	27	24	22
Legal capital reserves not included in consolidated financial statements	(19,817)	(18,651)	(19,777)	(18,314)
Share premium as per consolidated financial statements as of 1 January 2023	471	443	471	436
Movement reconciled carried forward from prior year	205	193	-	-
Cancellation of ordinary shares	-	-	(2)	(2)
Swap shares	-	-	248	230
Liability to non-tendered shareholders DSM N.V. (B.V.) shares	-	-	(42)	(39)
Expenditure issuance new shares	(4)	(4)	-	-
Other	-	-	1	1
Included in the share premium as per consolidated financial statements	672	632	676	626
Share premium as per consolidated financial statements	11,313	10,648	11,731	10,862

As capital increase 4 in the year 2023 was realized via the issuance of new shares, the Share premium amounting to €10,776 million was included in the Legal capital reserves.

8. Reserve for treasury shares

On 31 December 2023 DSM B.V. held 392,572 ordinary shares of DSM-Firmenich AG. The acquisition value amounted to €44.1 million (CHF 40.8 million), for which a Reserve for treasury shares was recognized by DSM-Firmenich AG as at 31 December 2023. The average cost price per share was €112.34 (CHF 104.03).

In 2024, all treasury shares previously held by DSM B.V. were sold to DSM-Firmenich AG and the Reserve for treasury shares was derecognized against the Reserve from capital contributions. See also [Note 9 Forward contracts to repurchase shares / treasury shares](#).



9. Forward contracts to repurchase shares / treasury shares

Forward contracts to repurchase shares

In 2024, DSM-Firmenich AG concluded an equity forward contract to repurchase 1,000,000 shares as part of its share repurchase program to cover share plans. The Company will take delivery of the shares against payment of the forward price of €109 million on 24 April 2025. This transaction is recognized in equity with a corresponding entry in short-term liabilities. See also [Note 4 Short-term liabilities and payables](#).

Treasury shares

In 2024, all treasury shares previously held by DSM B.V. were sold by DSM B.V. to DSM-Firmenich AG.

On 31 December 2024, DSM-Firmenich AG holds 404,185 treasury shares (end of 2023: 0), hence the number of outstanding shares is 265,272,203. See also [Note 8 Reserve for treasury shares](#).

10. Dividend income

In 2024, dividends were received from DSM B.V. in the amount of €673 million (CHF 634 million). In 2023, dividends were received in the amount of €3,778 million (CHF 3,498 million) from DSM B.V. and €146 million (CHF 135 million) from Firmenich International SA.

11. Personnel expenses

Personnel expenses relate mainly to the remuneration of the Members of the Board of Directors and Executive Committee. The Members of the Board of Directors and Executive Committee were appointed on 18 April 2023.

in million	2024		2023	
	EUR	Values in CHF	EUR	Values in CHF
Board of Directors fees and remuneration	2	2	2	2
Executive Committee remuneration	26	24	13	12
Total	28	26	15	14



12. Other operating income and expenses

Other operating income

Other operating income comprises the recharge of the remuneration of the Business Unit (BU) heads of the Group to the principal entities of these BUs amounting to €9 million (CHF 8 million), and the recharge of corporate costs of €28 million (CHF 27 million) to DSM Services B.V. In 2023, the amounts were €5 million (CHF 5 million) and €14 million (CHF 13 million) respectively.

Other operating expenses

In 2024, other operating expenses mainly include insurance, audit and other consultancy expenses.

In 2023, other operating expenses mainly relate to merger related transaction costs as well as audit and other consultancy costs.

13. Other finance income and expense

In 2024, other finance income and expense relate mainly to interest income and interest expense in relation to the in-house cash pool as well as exchange gains and losses.

In 2023, other finance income and expense included interest expenses on the short-term loan of €3.5 billion (CHF 3.5 billion) granted by DSM B.V., to finance the acquisition of Firmenich International SA. The loan was reimbursed to DSM B.V. in 2023. Interest income and interest expense in relation to the in-house cash pool were also part of other finance income and expenses.

14. Guarantee obligations

Guarantees issued to third parties in favor of Group companies amount to €13 million.

In 2024, DSM-Firmenich AG, DSM B.V., and Firmenich International SA signed a cross-guarantee agreement to mitigate structural subordination in the Group.

The cross-guarantee agreement includes downstream guarantees from DSM-Firmenich

AG to DSM B.V. and Firmenich International SA. In addition, there are also upstream guarantees from these two subsidiaries to DSM-Firmenich AG. The guarantees are irrevocable and unconditional, and cover existing and future senior unsecured debt instruments across these entities, including dsm-firmenich's existing senior unsecured bonds.

Under this cross-guarantee agreement, DSM-Firmenich AG acts as guarantor for the €800 million bond issued on 2 July 2024 by DSM B.V., and for the credit facilities concluded in 2024 by DSM B.V. comprising the €1.8 billion revolving credit facility (RCF) and the €1.0 billion bridge facility.



Other information

Personnel

The annual average number of full-time employees for the financial year 2024, as well as the previous year, does not exceed 250.

Participation rights granted in 2024

Restricted Share Units (RSUs) are granted to the Members of the Board of Directors, and Performance Share Units (PSUs) to the Members of the Executive Committee. See opposite tables reflecting the grants in the year 2024.

Major shareholders (above 5%)

Shareholders who hold a substantial position in DSM-Firmenich AG should notify this immediately to the Dutch Authority for the Financial Markets (AFM). DSM-Firmenich AG has not received notifications of any shareholder holding more than 5% of its share capital.

Grant of RSUs to members Board of Directors

	Number of RSUs granted	Value at opening price		Fair value (IFRS)	
		EUR in thousand	Value in CHF in thousand	EUR in thousand	Value in CHF in thousand
Granted in 2023	18,239	1,463	1,355	1,444	1,337
Granted in 2024	13,714	1,454	1,369	1,375	1,294

Grant of PSUs to members Executive Committee

	Number of PSUs granted	Value at opening price		Fair value (IFRS)	
		EUR in thousand	Value in CHF in thousand	EUR in thousand	Value in CHF in thousand
Granted in 2023	87,938	8,868	8,211	8,589	7,953
Granted in 2024	90,286	9,599	9,035	8,875	8,353



Events after the balance sheet date

On 25 February 2025, dsm-firmenich successfully launched a €750 million bond with an 11-year maturity due in 2036, at a coupon of 3.375%. The bond is issued by DSM B.V. and is guaranteed by DSM-Firmenich AG pursuant to the previously established cross-guarantee structure (see also [Note 14 Guarantee obligations](#)). The proceeds of the new bond will be used for general corporate purposes, including the refinancing of existing indebtedness.

The re-offer price for the 11-year bond tranche was 98.875%. Based on this price, the yield is 3.500%. The bonds are listed on the Luxembourg Stock Exchange. As a consequence of the bond issuance the undrawn amount of €1.0 billion bridge facility will be reduced to €250 million.



Appropriation of earnings available for distribution and repayment of reserves from capital contributions

The Board of Directors of DSM-Firmenich AG approved the financial statements on 27 February 2025.

The Board of Directors proposes to the Annual General Meeting a cash dividend of €2.50 per share for the financial year 2024 (proposed dividend payment of €661 million). Of this total dividend, €1.44 per share (total €380 million) will be paid out of capital contribution reserves without deduction of any Swiss withholding tax. The remaining €1.06 per share (total €281 million) will be paid out of available earnings and therefore subject to 35% Swiss withholding tax.

The dividend is based on the number of issued and outstanding ordinary shares on 7 May 2025. The ex-dividend date is 8 May 2025, the dividend record date is 9 May 2025, and the payment date is 16 May 2025.

These proposals are subject to adoption of the resolution by the Annual General Meeting to be held on 6 May 2025.

The distribution amounts are based on the share capital issued as at 31 December 2024, and may change depending on the number of shares issued and outstanding as at the dividend record date. Treasury shares held by DSM-Firmenich AG or its wholly owned subsidiaries do not receive dividends.

Distribution capacity

in million	EUR 31.12.2024	EUR 31.12.2023
Reserves from capital contributions	22,771	23,145
Other statutory reserves	7,687	7,687
Legal capital reserves	30,458	30,832
Non-distributable legal capital reserves	(1)	(1)
Legal capital reserves available for distribution	30,457	30,831
Profit brought forward	3,622	-
Profit for the period	667	3,870
Available earnings	4,289	3,870
Forward contracts to repurchase shares	(109)	-
Treasury shares	(40)	-
Earnings available for distribution	4,140	3,870
Total legal capital reserves and earnings available for distribution	34,597	34,701

The Board of Directors proposes the following repayment of reserves from capital contributions:

in million	EUR 31.12.2024	EUR 31.12.2023
Proposed repayment of reserves from capital contributions	380	415
Reserves from capital contributions to be carried forward	22,391	22,730
Total	22,771	23,145

The Board of Directors proposes the following dividend from available earnings:

in million	EUR 31.12.2024	EUR 31.12.2023
Proposed dividend payment out of available earnings	281	248
Available earnings to be carried forward	4,008	3,622
Total	4,289	3,870



Statutory Auditor's Report

To the General Meeting of DSM-Firmenich AG, Kaiseraugst

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DSM-Firmenich AG (the Company), which comprise the balance sheet as at 31 December 2024, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 281 to 296) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

VALUATION OF INVESTMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

VALUATION OF INVESTMENTS

Key Audit Matter

The Company carries investments of EUR 34,758 million (CHF 32,714 million) as at 31 December 2024.

The investments mainly consist of the direct equity shares in DSM B.V. and in Firmenich International SA and are valued at acquisition cost less impairment, if any.

In determining whether the valuation of the investments is appropriate or not, management compares the recoverable amount (the higher of its value in use and fair value less costs of disposal) with the carrying amount. Management makes assumptions in particular in relation to external data source used to determine the market value. Value in use calculated by management is based on the valuation of goodwill recognized within the investments' consolidated financial statements.

As a result, the valuation of the investments is a Key Audit Matter

For further information on the valuation of investments refer to the following:

- Note 3. Investments

Our response

We obtained and documented our understanding of the impairment testing process and tested the design and implementation of the relevant controls therein.

We also examined, with the support of internal valuation specialists, the impairment assessment prepared by the management:

- We evaluated the methodical and mathematical accuracy of the impairment assessment.
- We challenged the external data source used to determine the investments' market value and compared it with publicly available data.

We also assessed the appropriate presentation in the financial statements.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of



Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or

conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposals of the Board of Directors comply with Swiss law and the Company's articles of incorporation and recommend that the financial statements submitted to you be approved.

KPMG AG

Petra Groenland van der Linden

Licensed Audit Expert
Auditor in Charge

Carlos Alvarez

Licensed Audit
Expert

Basel, 27 February 2025

Enclosure:

- Financial statements (balance sheet, income statement and notes)



A close-up photograph of a man with a beard and mustache, wearing a dark shirt, holding a baby. The baby is wearing a red and white striped shirt and a colorful, patterned hat. The man is looking down at the baby with a gentle expression. The background is filled with various colorful, patterned fabrics, including a large, multi-colored crocheted blanket. The overall scene is warm and intimate.

Other Information

dsm-firmenich figures: five-year summary

Balance sheet

x € million	2024	2023	2022	2021	2020
Assets					
Goodwill and intangible assets	18,078	18,738	5,147	5,309	4,440
Property, plant and equipment	5,725	5,549	3,576	3,964	3,775
Deferred tax assets	299	228	95	203	240
Share in associates and joint ventures	342	130	61	64	93
Derivatives	51	46	82	48	61
Other non-current assets	453	735	314	302	317
Non-current assets	24,948	25,426	9,275	9,890	8,926
Inventories	3,290	3,390	2,339	2,297	1,879
Current receivables	2,769	2,843	1,622	1,697	1,483
Derivatives	23	42	42	30	48
Current investments	50	107	125	489	43
Cash and cash equivalents	2,667	2,456	2,755	1,561	871
Assets held for sale	-	6	1,245	56	1,096
Current assets	8,799	8,844	8,128	6,130	5,420
Total assets	33,747	34,270	17,403	16,020	14,346
Equity and liabilities					
Shareholders' equity	22,511	22,908	10,743	9,318	7,399
Non-controlling interests	186	162	102	79	88
Equity	22,697	23,070	10,845	9,397	7,487
Deferred tax liabilities	1,556	1,751	476	490	431
Employee benefit liabilities	487	520	287	323	414
Provisions	87	142	50	96	123
Borrowings	4,444	4,114	2,978	2,995	3,484
Derivatives	7	8	4	9	1
Other non-current liabilities	109	146	205	280	163
Non-current liabilities	6,690	6,681	4,000	4,193	4,616
Employee benefits liabilities	62	49	5	21	42
Provisions	77	34	45	68	61
Borrowings	836	716	86	103	102
Derivatives	60	28	23	40	13
Current liabilities	3,325	3,684	1,969	2,188	1,771
Liabilities held for sale	-	8	430	10	254
Current liabilities	4,360	4,519	2,558	2,430	2,243
Total equity and liabilities	33,747	34,270	17,403	16,020	14,346



Income statement

x € million	2024	2023	2022	2021	2020
Net sales	12,799	11,015	10,480	9,468	9,038
Net sales from continuing operations	12,799	10,627	8,390	7,269	-
Adjusted EBITDA ¹	2,118	1,441	1,725	1,842	1,650
EBITDA	1,991	3,637	2,646	2,370	1,476
Adjusted operating profit (EBIT) ¹	926	428	1,071	1,167	1,011
Operating profit (EBIT)	561	2,330	1,994	1,689	736
Operating profit (EBIT) from continuing operations	561	(497)	682	711	-
Financial income and expense	(134)	(151)	(94)	(106)	(67)
Income tax expense	(147)	(19)	(190)	(245)	(129)
Share of the profit of associates and joint ventures	-	(7)	5	342	(32)
Net profit for the year	280	2,153	1,715	1,680	508
Net profit attributable to non-controlling interests	30	16	15	4	2
Net profit available to equity holders of the parent company	250	2,137	1,700	1,676	506
Dividend on Cumulative Preference Shares	-	(6)	(6)	(6)	(7)
Net profit available to holders of ordinary shares	250	2,131	1,694	1,670	499
Key figures and financial ratios					
Capital employed	26,474	26,766	11,473	11,019	10,557
Capital expenditure:					
- Intangible assets and Property, plant and equipment	830	700	636	614	622
- Acquisitions	-	14,569	77	754	1,579
Disposals	184	3,559	1,413	1,941	46
Depreciation, amortization and impairments	1,430	1,307	652	681	740
Net debt	(2,556)	(2,215)	(87)	(1,019)	(2,577)
Dividend	667	582	167	438	420
Workforce at 31 December, headcount	28,214	29,301	20,682	21,358	23,127
Financial ratios ¹					
Current assets / current liabilities	2.02	1.96	3.15	2.52	2.42
Equity / total assets	0.67	0.67	0.62	0.59	0.52
Gearing (net debt / equity plus net debt) in %	10.1%	8.8%	0.8%	9.7%	26.0%
Adjusted EBITDA / net sales in %	16.5%	13.1%	16.5%	19.5%	18.3%
Adjusted EBITDA / financial income and expense	15.8	12.3	20.1	17.4	24.6

1. In presenting and discussing dsm-firmenich's financial position, operating results and cash flows, dsm-firmenich uses certain Alternative Performance Measures (APMs) not defined by IFRS. These APMs are used because they are an important measure of dsm-firmenich's business development and management performance. A full reconciliation of IFRS performance measures to the APMs is given in [Note 2. Alternative performance measures](#).



Concepts and ratios

The following pages contain explanations for the many terms, concepts, ratios, and other definitions used in this Report. More information can be found on our corporate website at dsm-firmenich.com.

1) General

Biosciences

Biosciences are any of the sciences that deal with living organisms.

Business Partners

Business Partners enable excellence and efficiency, by partnering with the Group and the Business Units, helping them to deliver on their ambitions, serve their customers. In addition, the Business Partners will drive excellence with shared centers of expertise, to bring differentiated capabilities to our company.

Category of One

Our ambition is to be more than just a merger of two brilliant companies, each with its own incredible talent and history, but to be seen as a Category of One, unique in the world, and something that our customers and stakeholders are proud to be a part of.

Integrated Reporting <IR> Framework – value creation model

The value creation model is based on the International Integrated Reporting Council's

[Integrated Reporting <IR> Framework](#) and gives an overview of how we create value for our stakeholders based on six capital inputs.

- Human capital
- Societal & relationship capital
- Natural capital
- Financial capital
- Intellectual capital
- Manufactured capital

Plant-forward

A trend descriptor coined by Innova Market Insights in 2021 to signal the plant-based foods category's push toward broader consumer appeal and expansion into more market categories and regions of the world.

2) Sustainability

Bio-based

Bio-based refers to a material that is derived from a biological source, i.e., a living organism. This includes, but is not limited to, materials derived from plants, animals and fungi.

Circular economy

Circular economy refers to an economy that is restorative and in which materials flows are of two types: biological nutrients, designed to re-enter the biosphere safely, and technical nutrients, which are designed to circulate at high quality without entering the biosphere throughout their entire lifecycle.

Chemical Oxygen Demand

Chemical Oxygen Demand (COD) is an indicator of the degree of pollution of wastewater by organic substances.

Eco-efficiency

Eco-efficiency is a concept (created in 1992 by the World Business Council for Sustainable Development (WBCSD)) that refers to the creation of more goods and services while using less resources and creating less waste and pollution throughout their entire life cycle.

Energy

Primary energy is energy that has not yet been subjected to a human engineered conversion process. It is the energy contained in unprocessed fuels.

Final (consumed) energy is the energy that is consumed by end-users. The difference between primary energy and final consumed energy is caused by the conversion process between the two as well as any transmission losses.

Equal pay and gender pay gap

Equal pay is a legal requirement for men and women to be paid the same for performing the same or similar work or work that has been rated as being of equal value (by job evaluation). The gender pay gap zooms in on the difference between what men typically earn

overall in an organization compared to women, irrespective of their role or seniority.

Frequency index (Safety)

The Frequency Index is a way to measure safety performance. The number of accidents of a particular category per 100 employees per year.

Total Recordable Incident Rate

The Total Recordable Incident Rate (TRIR) is the number of recordable injuries per 100 dsm-firmenich employees and contractor employees in the past 12 months. The 'TRIR-own' refers only to dsm-firmenich employees. $TRIR\ rate = 100 * (\#\ of\ recordable\ incidents\ (past\ 12\ months) / average\ effective\ manpower\ (past\ 12\ months))$

Process Safety Incidents

The Process Safety Incidents (PSI) rate is the number of Process Safety Incidents per 100 dsm-firmenich employees and contractor employees in the past 12 months. $PSI\ rate = 100 * (\#\ of\ PSIs\ (past\ 12\ months) / average\ effective\ manpower\ (past\ 12\ months))$

Occupational health

The occupational health rate is the number of occupational health cases per 100 dsm-firmenich employees and contractor employees in the past 12 months. $REC\ rate = 100 * (\#\ of\ health\ cases\ (past\ 12\ months) / average\ effective\ manpower\ (past\ 12\ months))$



Global South

The term Global South is used to describe countries whose economies are not yet fully developed and which face challenges such as low per capita income, excessive unemployment, and a lack of valuable capital. These countries are located largely in the southern hemisphere.

Greenhouse gas emissions

dsm-firmenich applies the [Greenhouse Gas Protocol](#), which defines greenhouse gas emissions (GHG) as “atmospheric gases that absorb and emit radiation within the thermal infrared range and that contribute to the greenhouse effect and global climate change.” We report GHGs based on their global warming potential over 100 years in carbon dioxide equivalent (CO₂e).

Scope 1 & 2

Scope 1: Direct GHG emissions occur from sources that are owned or controlled by the company (i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.).

Scope 2: Indirect GHG emissions relate to the generation of purchased energy (i.e., electricity, heat or cooling) consumed by the company. Purchased energy is defined as energy that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where the energy is generated.

Market-based emissions reflect GHG emissions from electricity supplies (Scope 2) that

companies have purposely chosen (or their lack of choice) and contracted. Corresponding emission factors:

- *Supplier specific emission factor* (provided by the supplier)
- *Residual emission factor* (country-based grid factor, corrected for allocated purchased electricity from renewable resources)

Scope 3

Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Net-zero emissions

The Intergovernmental Panel on Climate Change (IPCC) states: “net-zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period. Where multiple greenhouse gases are involved, the quantification of net-zero emissions depends on the climate metric chosen to compare emissions of different gases (such as global warming potential, global temperature change potential, and others, as well as the chosen time horizon).”

GRI

The Global Reporting Initiative (GRI) has developed Sustainability Reporting Guidelines that strive to increase the transparency and accountability of economic, environmental, and social performance. The GRI was established in 1997 in partnership with the UN Environment

Programme. It is an international, multi-stakeholder and independent institution whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines. These Guidelines are for voluntary use by organizations for reporting on the economic, environmental, and social dimensions of their activities, products and services.

Guarantee of origin

A guarantee of origin (GO) is defined in EU Directive 2009/28/EC as “an electronic document which has the sole function of providing proof to a final customer that a given share or quantity of energy was produced from renewable sources as required by Article 3(6) of Directive 2003/54/EC.” The requirements of a GO are explained in Article 15 of the same Directive.

Living wage

The remuneration received for a standard working time by an employee in a particular place sufficient to afford a decent standard of living for the employee and his/her family. Elements of a decent standard of living include food, water, housing, education, healthcare, transport, clothing, and other essential needs, including provision for unexpected events.

Loss of Primary Containment (LOPC)

Loss of Primary Containment is an unplanned or uncontrolled release of material from the container in direct contact with the material.

Mass-balance

Mass-balance accounting is a well-known approach that has been designed to trace the

flow of materials through a complex value chain. The mass-balance approach provides a set of rules for how to allocate the bio-based and/or recycled content to different products to be able to claim and market the content as ‘bio’-based or ‘recycled’-based.

NOx

Nitrogen oxides. These gases are released mainly during combustion.

Renewable resource

A natural resource which is replenished by natural processes at a rate comparable to, or faster than, its rate of consumption by humans or other users. The term covers perpetual resources such as solar radiation, tides, winds and hydroelectricity as well as fuels derived from organic matter (bio-based fuels).

Safety, Health and Environment (SHE)

Our policy is to maintain business activities and produce products that do not adversely affect safety or health, and that fit with the concept of sustainable development. We do this by setting the following objectives: to provide an injury-free and incident-free workplace; to prevent all work-related disabilities or health problems; to control and minimize the risks associated with our products for their whole life cycle and to choose production processes and products such that the use of raw materials and energy is minimized; to evaluate and improve our practices, processes and products continuously in order to make them safe and acceptable to its employees, the customers, the public and the environment.



SOx

Sulfur oxide. This gas is formed during the combustion of fossil fuels.

VOC

Volatile organic compounds. The term covers a wide range of chemical compounds, such as organic solvents, some of which can be harmful.

Water use and water consumption

Water use includes water used for 'once-through cooling' that is returned to the original water source after use. Water consumption is the portion of water used that is not returned to the original water source after being withdrawn.

3) Financial

This Report includes information that is presented in accordance with IFRS as issued by the International Accounting Standard Board and Alternative Performance Measures (APMs). The comparatives in the management report to this Integrated Annual Report contain information that is presented on a pro forma basis ('pro forma'), which includes the Firmenich results as if the merger had occurred on January 1, 2022. The pro forma figures represent the results from continuing operations – please also refer to the Integrated Annual Report 2023.

Alternative Performance Measures (APMs)

In presenting and discussing dsm-firmenich's financial position, operating results and net results, management uses certain other alternative performance measures (APMs) not defined by IFRS. To arrive at these APMs, adjustments are made for material items of income and expense arising from circumstances such as acquisitions and divestments, restructuring, impairments, and other events (i.e., APM adjustments).

For an overview of the APMs and the reconciliations to the most directly reconcilable IFRS metric, please see [Note 2. Alternative performance measures](#) to the Consolidated Financial Statements. In calculating financial profitability ratios, use is made of the average of the opening and closing values of balance sheet items in the year under review.

Capital expenditures

Capital expenditures (CAPEX) include all investments in intangible assets and property, plant and equipment.

Core capital employed

Core capital employed is defined as capital employed, adjusted for the impact of the Firmenich purchase price allocation (PPA). Average core capital employed is calculated as the average of the core capital employed at the end of the preceding five quarters, including the current quarter.

Core adjusted return on capital employed (ROCE)

Core adjusted return on capital employed (Core adj. ROCE) is core adjusted EBIT as a percentage of average core capital employed.

Disposals

The total of the carrying amount of intangible assets and property, plant and equipment, inventories, trade receivables and other receivables, less trade payables, other current liabilities, investment grants and customer funding disposed of.

Earnings per share

Net profit available to holders of ordinary shares, divided by the average number of ordinary shares outstanding. The financial indicators per ordinary share are calculated on the basis of the average number of ordinary shares outstanding (average daily number). In calculating Shareholders' equity per ordinary share, however, the number of shares outstanding at year-end is used.

Net debt

Net debt is the total of current and non-current borrowings less cash and cash equivalents, current investments and the net position of derivatives.

Operating working capital

The total of inventories and trade receivables, less trade payables. See also Working capital.

Organic sales growth

Organic sales growth is the sales growth excluding the impact of acquisitions, divestments, and currency impacts.

Return on capital employed (ROCE)

ROCE is the adjusted operating profit from continuing operations as a percentage of average capital employed.

R&D expenditure

R&D expenditure relates to all efforts done across the company to develop new products or improve existing products and processes. As such, R&D expenditure includes all costs and capitalized expenditures that relate to Research & Development, as well as costs incurred by other departments to support R&D activities.

Total Shareholder Return

Total Shareholder Return (TSR) is capital gain plus dividend paid.

Working capital

The total of inventories and current receivables, less current payables. See also Operating working capital.



Abbreviations

This report may contain certain terms and abbreviations unfamiliar to certain international readers. The following section provides a list of key abbreviations we use.

ADR	American Depositary Receipts	CO₂e	Carbon dioxide equivalent	EPP	European People's Party
AFM	<i>Autoriteit Financiële Markten</i> (The Dutch Authority for the Financial Markets)	COD	Chemical Oxygen Demand	EPS	Earnings Per Share
AGM	Annual General Meeting	CODM	Chief Operating Decision Maker	ERM	Enterprise Risk Management
AGOF CF	Adjusted Gross Operating Free Cash Flow	COSO	The Committee of Sponsoring Organizations of the Treadway Commission	ERT	European Round Table for Industry
AI	Artificial Intelligence	CPO	Chief Procurement Officer	ESG	Environmental, Social and Governance
AIF	Africa Improved Foods	CSD	Central Security Depository	ESRS	European Sustainability Reporting Standards
ANH	Animal Nutrition & Health	CSO	Chief Sustainability Officer	EUDR	European Union Deforestation Regulation
API	Active Pharmaceutical Ingredient	CSRD	Corporate Sustainability Reporting Directive	ExCo	Executive Committee
APM	Alternative performance measures	DCC	Dutch Civil Code	FCLT	Focusing Capital on the Long Term
B.E.N.	Better Eggs for Nutrition	DE&I	Diversity, Equity & Inclusion	FEMA	Flavor Extract Manufacturers' Association
BfN	Business for Nature	DHA	Docosahexaenoic Acid	FIFO	First in, first out
BMGF	Bill & Melinda Gates Foundation	DSFIR	dsm-firmenich, as listed on Euronext Amsterdam	FMO	<i>De Nederlandse Financieringsmaatschappij voor Ontwikkelingslanden</i> (Dutch Entrepreneurial Development Bank)
CBD	Convention on Biological Diversity	EBIT	Earnings Before Interest and Taxes	FSC	Forest Stewardship Council
CDC	Commonwealth Development Corporation (British International Investment)	EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	G&A	General & Administrative
CDP	Carbon Disclosure Project	ECL	Expected Credit Loss	GBF	Global Biodiversity Framework
CEO	Chief Executive Officer	EFSA	European Food Safety Authority	GHG	Greenhouse gas
CFO	Chief Financial Officer	EPA	Eicosapentaenoic Acid	GMT	Global Management Team
CGU	Cash Generating Unit	EPD	Environmental Product Declaration	GNC	Governance & Nomination Committee
CHRO	Chief Human Resources Officer				



GO Guarantee of origin	KPI Key Performance Indicator	PPA Purchase Price Allocation; also Power Purchase Agreement	SoD Segregation of Duties
GRI Global Reporting Initiative	LCA Life Cycle Assessment	PPE Personal Protective Equipment; also Property, Plant and Equipment	SPF Sun Protection Factor
GSLT Global Sustainability Leadership Team	LGBTIQ+ Lesbian, Gay, Bisexual, Transgender, Intersex and Queer	PSU Performance Share Unit	SPPI Solely Payments of Principal & Interest
HMO Human Milk Oligosaccharides	LNnT Lacto-N-neotetraose	RCP Representative Concentration Pathways	SQLNS Small Quantity Lipid-Based Nutrient Supplements
HNC Health, Nutrition & Care	LSFF Large-Scale Food Fortification	RE Renewable Electricity	STI Short-Term Incentive
HR Human Resources	LT Leadership Team	RfR Relief-from-Royalty	TCFD Taskforce on Climate-related Financial Disclosures
HRLT Human Resources Leadership Team	LTI Long-Term Incentive	ROCE Return on Capital Employed	TfS Together for Sustainability
IASB International Accounting Standards Board	M&A Mergers and Acquisitions	RoSPA Royal Society for the Prevention of Accidents	TRIR Total Recordable Incident Rate
ICF Incremental Cash Flows	MEEM Multi-period Excess Earnings Method	RSPO Roundtable for Sustainable Palm Oil	TSR Total Shareholder Return
IFC International Finance Corporation	MMS Multiple Micronutrient Supplement	RSU Restricted Share Unit	TTH Taste, Texture & Health
IFRS International Financial Reporting Standards	MNP Micronutrient Powder	SAL Sight and Life	UEBT Union for Ethical BioTrade
IIGCC Institutional Investors Group on Climate Change	MSC Marine Stewardship Council	SBC Social Behavior Change	UN United Nations
IMD International Institute for Management Development	NCI Non-Controlling Interests	SBT Science Based Target	UNGP United Nations Guiding Principle
IP Intellectual Property	NGO Non-Governmental Organization	SBTi Science Based Targets initiative	WBCSD World Business Council for Sustainable Development
IPCC Intergovernmental Panel on Climate Change	OCI Other Comprehensive Income	SBTN Science Based Targets for Nature	WEF World Economic Forum
IPO Initial Public Offering	OECD Organisation for Economic Co-operation and Development	SDG Sustainable Development Goal	WFP World Food Programme
IR Integrated Reporting	P&B Perfumery & Beauty	SFDR Sustainable Finance Disclosure Regulation	WRI World Resource Institute
ISDA International Swaps and Derivatives Association	PEF Product Environmental Footprint	SFE Supercritical Fluid Extraction	WWF Worldwide Fund for Nature
ISSB International Sustainability Standards Board	PEFC Program for the Endorsement of Forest Certification	SHE Safety, Health and Environment	
	PFS Partners in Food Solutions	SILC Stanford Interdisciplinary Lifesciences Council	



We bring progress to life

You can also find our Integrated Annual Report 2024
online at [dsm-firmenich Integrated Annual Report 2024](#)

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