

A group of six runners in dark athletic gear jogging on a path through a dense forest. The runners are positioned in a staggered line, moving towards the camera. The background is filled with tall, lush green trees and foliage, creating a natural and serene setting. The lighting suggests a bright, sunny day.

# Our Performance

## OUR PERFORMANCE &gt; FINANCIAL PERFORMANCE

# Financial performance

## 2025 at a glance

Continuing operations compared to 2024:

- Good financial performance, with strong contribution from synergies
- 3% organic sales growth
- Adjusted EBITDA up 5% versus 2024, when adjusted for a 4% negative currency effect
- Good step up in Adjusted EBITDA margin to 19.6% in 2025
- Adjusted Gross Operating Free Cash Flow €950 million, a 10.5% sales to cash conversion (with a strong performance in second half 2025)
- €3.31 Core adjusted EPS from continuing operations
- €1 billion share repurchase program completed in 2025 and new €500 million program to be launched in Q1 2026

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Despite a more challenging macroeconomic backdrop in the second half of 2025, we delivered a good performance. We stayed disciplined in our working capital management and operational efficiency, while remaining focused on our strategic priorities. With our strong fundamentals, science-led capabilities, we are well positioned to drive sustainable growth and create long-term value for all stakeholders.”



**Ralf Schmeitz**

Chief Financial Officer

Proposal to maintain stable dividend of €2.50 per share, adopting stable to preferably rising dividend policy

## Well positioned for growth

From a business perspective, we made good progress in improving the performance of our three continuing business operations in 2025.

Our innovative solutions play a critical role in essential, everyday consumer products, demonstrating the strength and resilience of our portfolio, particularly against the more challenging macroeconomic backdrop in the second half of the year. We are well positioned for 2026, supported by innovation-driven growth, continued delivery of sales synergies, continued focus on cash generation, and capital discipline.

## Executing our strategy

The company is on track to achieve its mid-term ambitions, including synergy delivery, disciplined capital allocation, and strong cost, cash, and operating working capital efficiency, to generate sustainable value for all stakeholders. The company's mid-term financial ambitions include:

- Organic sales growth: 5-7%
- Adjusted EBITDA margin: 22-23%
- Cash-to-sales conversion: >10%

## Delivering synergies

dsm-firmenich is on track to achieve its target merger synergies, contributing approximately €350 million to Adjusted EBITDA. In 2025, the company delivered around €65 million in cost synergies, which brings the total to €175 million for the Group. This part of the program was completed by the end of 2025 and is now fully delivered.

In addition, dsm-firmenich realized around €100 million in revenue synergies during 2025, bringing the total to around €175 million. This has contributed to around €60 million Adjusted EBITDA cumulatively since the merger, of which around €35 million was realized in 2025. The remaining €115 million Adjusted EBITDA contribution from revenue synergies will be realized through 2027.

## Divestment of Animal Nutrition & Health

On February 9, 2026, dsm-firmenich announced it had entered into an agreement with CVC Capital Partners to divest its Animal Nutrition & Health business for an enterprise value of about €2.2 billion, which includes an earn-out of up to €500 million. This transaction followed the sale of the Feed Enzymes activities to Novonesis for €1.5 billion in 2025.

## Share buyback programs

In December 2025, dsm-firmenich completed its share repurchase programs, under which it bought back ordinary shares with an aggregate market value of €1 billion in 2025.

The company now intends to launch a new share repurchase program to buy back ordinary shares with an aggregate market value of €500 million to reduce its issued capital. The program is planned to commence in the first quarter of 2026. dsm-firmenich remains fully committed to maintaining its strong investment-grade profile.



# Financial results

**dsm-firmenich delivered 3% volume-led organic sales growth, a solid performance in a macro environment that became increasingly challenging over the course of the year.**

Perfumery & Beauty delivered a solid performance with 3% organic sales growth. Perfumery saw good growth, while headwinds from sun filters in Beauty & Care subsided through the year.

Taste, Texture & Health delivered good 4% organic sales growth supported by synergies, with a strong first half, while more cautious customer behavior tempered growth in the second half of the year.

Health, Nutrition & Care continued to improve, with 3% organic sales growth, supported by good Dietary Supplements and Early Life Nutrition. Growth in HNC softened somewhat in the second half due to more cautious consumer sentiment in North America.

Adjusted EBITDA for continuing operations of €1,772 million increased by 5% when correcting for a negative currency effect of about 4%, with a good step-up in margin to about 20%, owing to continued margin improvements in Taste, Texture & Health and Health, Nutrition & Care.

Adjusted EBITDA for the total Group including discontinued operations was €2,279 million, up 8% when compared to 2024.

## Income statement and key data

	2025	Total Group	2024	Total Group	Change
	Continuing operations		Continuing operations		Continuing operations
Net sales	9,034	12,521	9,054	12,799	0% -2%
Adjusted EBITDA	1,772	2,279	1,751	2,118	1% 8%
EBITDA	1,657	2,245	1,572	1,991	5% 13%
Total expenses	8,323	13,398	8,507	12,238	-2% 9%
Adjusted operating profit (loss)	861	1,114	816	926	6% 20%
Operating profit (loss)	711	(877)	547	561	30% -256%
Financial income and expense	(143)	(153)	(124)	(134)	15% 14%
<b>Profit (loss) before income tax expense</b>	<b>568</b>	<b>(1,030)</b>	<b>423</b>	<b>427</b>	<b>34%</b> <b>-341%</b>
Income tax expense	(118)	98	(64)	(147)	
Results related to associates and joint ventures	(108)	(107)	-	-	
<b>Net profit (loss) for the year</b>	<b>342</b>	<b>(1,039)</b>	<b>359</b>	<b>280</b>	
Adjusted net profit (loss)	530	694	589	601	
Core adjusted net profit (loss) <sup>1</sup>	887		976		
Adjusted gross operating free cash flow <sup>1</sup>	950	798	1,217	1,185	
Adjusted EBITDA margin (in %)	19.6%	18.2%	19.3%	16.5%	
Core adjusted ROCE (in %) <sup>1</sup>	11.1%		10.9%		
Net profit (loss) for the year	342	(1,039)	359	280	
Of which attributable to non-controlling interests	2	42	11	30	
Interest on hybrid bonds (equity)	26	26	28	28	
<b>Available to holders of ordinary shares</b>	<b>314</b>	<b>(1,107)</b>	<b>320</b>	<b>222</b>	
Net basic earnings per share (EPS) <sup>1</sup>	1.21	(4.27)	1.21	0.84	

<sup>1</sup>Restated for comparison purposes

## Net sales and Adjusted EBITDA per Business Unit

x € million	Net sales			Adjusted EBITDA			Adjusted EBITDA margin	
	2025	2024 <sup>1</sup>	% change	2025	2024 <sup>1</sup>	% change	2025	2024 <sup>1</sup>
P&B	3,760	3,776	0%	815	842	-3%	21.7	22.3
TTH	3,146	3,109	1%	648	626	4%	20.6	20.1
HNC	2,102	2,117	-1%	407	377	8%	19.4	17.8
CA	26	52	-50%	(98)	(94)	4%		
<b>Total continuing operations</b>	<b>9,034</b>	<b>9,054</b>	<b>0%</b>	<b>1,772</b>	<b>1,751</b>	<b>1%</b>	<b>19.6</b>	<b>19.3</b>

<sup>1</sup>Restated for comparison purposes

# Net profit

Core Adjusted net profit from continuing operations of €887 million was down by 9% versus 2024, which was mainly attributable to higher tax expenses and losses on associates.

The net profit for the total Group decreased by €1,319 million to -€1,039 million. This decrease was mainly a result from the increased loss from discontinued operations of -€1,302 million, including the impairment booked on the ANH business upon the classification to held for sale of -€1,922 million (-€1,545 million after tax).

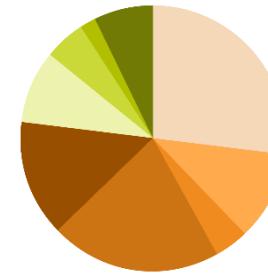
Core adjusted net earnings per share from continuing operations were €3.31 in 2025 (2024: €3.54). For total dsm-firmenich, core adjusted earnings per share increased by 7% to €3.87 (2024: €3.61).

Financial income and expense from continuing operations decreased by €19 million year-on-year to a net expense of €143 million. This was mainly caused by an increase of exchange differences by €16 million. The total effective tax rate over taxable result 2025 for continuing operations was 20.8% (2024: 15.1%); excluding APM adjustments, this was 20.8% (2024: 14.9%). As the ANH (discontinued) and HNC business in 2024 were still fully integrated in one global statutory/legal structure, the 2024 effective tax rate cannot be fully compared with 2025. The 2025 effective tax rate of 21% for continuing operations is a fair reflection of the effective tax rate for dsm-firmenich.

## Adjustments in calculating our Alternative performance measures

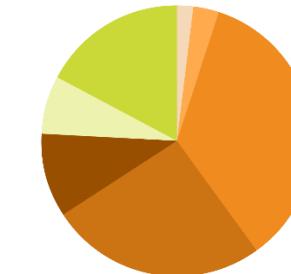
Total adjustments from continuing operations for the full year amounted to a loss of €188 million (2024: a loss of €230 million), consisting of a loss in EBITDA of €115 million (including restructuring costs of €54 million and acquisition, divestment, or integration costs of €45 million), impairments of €35 million, financial expenses of €16 million, a related tax impact of -€35 million, and other results relating to associates of €57 million.

## Sales by business segment



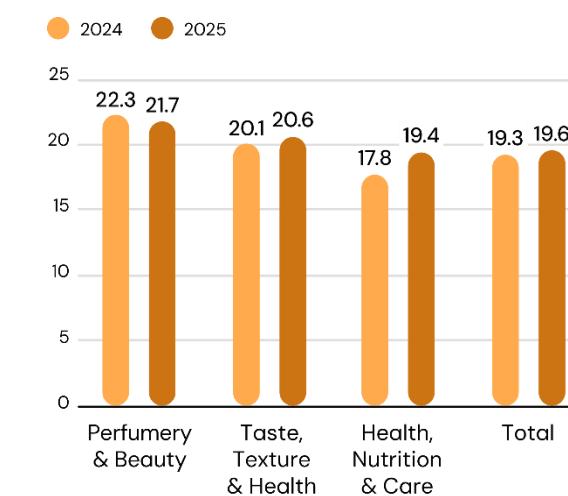
P&B: Perfumery	27%
P&B: Ingredients	11%
P&B: Personal care	4%
TTH: Taste	21%
TTH: Ingredients solutions	14%
HNC: Dietary supplements and I-Health	9%
HNC: Early life nutrition	5%
HNC: Biomedical solutions	2%
HNC: Other	7%

## Sales by destination

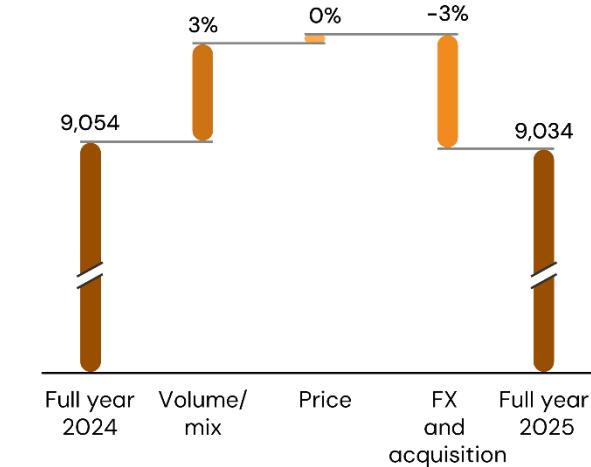


Switzerland	2%
Netherlands	3%
Rest of EMEA	35%
North America	26%
Latin America	10%
China	7%
Rest of Asia	17%

## Adjusted EBITDA margin



## Sales bridge 2025





# Cash flow statement

**Cash provided by operating activities for the total Group of €1,445 million mainly consists of the EBITDA for the year (€2,245 million) and changes in working capital of €210 million, income tax payments of €320 million, and other changes, including gain on disposals, totalling €270 million.**

Overall, the full-year operating cash flow decreased by €333 million. This was mainly caused by negatively impacted working capital changes, partly offset by an improved EBITDA.

The cash from investing activities consisted mainly of the proceeds from disposals of subsidiaries and businesses of €1,270 million, partly offset by capital expenditures (-€764 million). The cash used in financing activities included the dividend paid (-€718 million), repayment of borrowings (-€560 million), redemption of hybrid bonds (-€783 million), and the repurchase of shares (-€1,181 million), partly offset by the issuance of a corporate bond (€750 million).

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

## Cash flow statement

x € million	2025	2024
<b>Cash and cash equivalents at January 1</b>	<b>2,667</b>	<b>2,456</b>
Cash provided by operating activities	1,445	1,778
Cash from / (used in) investing activities	505	(252)
Cash from / (used in) financing activities	(2,752)	(1,334)
Effect of exchange differences	(72)	19
Reclassification to held for sale	(11)	-
<b>Cash and cash equivalents at December 31</b>	<b>1,782</b>	<b>2,667</b>



# Balance sheet

**The balance sheet total (total assets) reached €29.3 billion at year-end (2024: €33.7 billion). The decrease was mainly caused by the divestment of the Feed Enzymes business and the impairment of €1.9 billion of the ANH business. In addition, following the classification of the ANH business as held for sale, the assets and liabilities related to this business were reclassified accordingly and presented within other current assets and other current liabilities at year-end 2025.**

Equity decreased by €4,274 million, which was mainly caused by a net loss for the period of -€1,039 million (including the impairment of the ANH business), dividend payments of -€718 million, repurchases of shares of -€1,076 million, redemption of hybrid bonds of -€776 million, and movement in translation reserves of -€694 million. Equity as a percentage of total assets decreased to 63%.

Capital expenditure on intangible assets and property, plant, and equipment amounted to €840 million in 2025 (€764 million on a cash basis). Including new leases, the additions to intangible assets and property, plant and equipment was €957 million, which is 9% higher than the level of amortization and depreciation excluding the impact of the merger-related purchase price allocations (PPA) of dsm-firmenich.

Total working capital from continuing operations amounted to €1,770 million compared to €2,734 million at year-end 2024. The decrease is mainly due to the reclassification to assets and liabilities held for sale of €783 million.

This represents 20.6% as a percentage of annualized fourth-quarter 2025 sales (2024: 21.0%), attributable to improved inventory management, partly offset by decreased payables. Cash-wise, the operating working capital (OWC) from continuing operations increased by €111 million compared to last year. The OWC percentage increased from 27.3% at year-end 2024 to 28.8% of annualized sales at year-end 2025 (mainly due to the lower accounts payable).

Cash and cash equivalents came to €1,782 million; including financial investments, this amounted to €1,903 million (2024: €2,717 million).

## Balance sheet profile

2025		2024		
	x € million	in %	x € million	in %
Goodwill and intangible assets	15,384	52	18,078	54
Property, plant and equipment	4,174	14	5,725	17
Other non-current assets	894	3	1,145	3
Cash and cash equivalents	1,782	6	2,667	8
Other current assets	7,111	25	6,132	18
<b>Total assets</b>	<b>29,345</b>	<b>100</b>	<b>33,747</b>	<b>100</b>
Equity	18,423	63	22,697	67
Provisions	103	-	164	-
Other non-current liabilities	5,277	18	6,603	20
Other current liabilities	5,542	19	4,283	13
<b>Total equity and liabilities</b>	<b>29,345</b>	<b>100</b>	<b>33,747</b>	<b>100</b>

# “We achieved some remarkable milestones in 2025, supported by our new Sustainability program.”

If sustainability were simply a legal requirement, the regulatory uncertainties of the last year could easily have knocked us off our stride. Instead, we held our course. Not only did we launch our new Sustainability program; we were also awarded Climate and Water A-scores from CDP and a Platinum rating from EcoVadis, and we achieved our target of 100% of purchased electricity from renewable sources ahead of time.

The science on which we base our climate work has not changed. The global rise in natural disasters has simply underscored the importance of continued emissions reductions, and there is a renewed urgency around adaptation. At the same time, sustainability is

becoming an increasingly important factor in people's thinking, whether for investors seeking new opportunities, talent looking for jobs, or consumers weighing up purchasing options.

Our response to these developments has been to stay the course, and we have continued to embed sustainability into our product offering and our decision-making processes. In this Report, you can read more about how our work is bringing progress to life across our value chain, and explore more detailed disclosures in our [Sustainability Statements](#). Both sections demonstrate our company's commitment to greater transparency and to providing a fuller, more accurate picture of our global footprint.

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By focusing on the value-creation opportunities that sustainability offers, we were able to make meaningful progress towards our targets while also creating lasting value for our business and stakeholders.”



**Katharina Stenholm**  
Chief Sustainability Officer



In 2025, our sustainability progress was recognized by a broad range of external parties. For more information on our EcoVadis medal, please see the [website](#).

Our plan rests on three pillars: *sustainable performance*, *value for customers*, and *impact at scale*. We are working to reduce risks and increase our resilience, have designed our new Sustainability program around materiality and customer relevance, and are always looking for ways to use our unique size, reach, and innovation capabilities to drive impact at scale.

## People. Planet. Progress

Launched in 2025, our Sustainability program 'People. Planet. Progress' concentrates our efforts on areas where we can create the

biggest value and impact. It identifies eight focus areas and sets out quantifiable, time-bound targets for achieving them. Among others, these include:

- **Climate:** Lowering emissions across our value chain
- **Micronutrient gap:** Supporting vulnerable communities worldwide to improve nutrition through our products and solutions
- **Responsible sourcing:** Embedding our sustainability ambitions into our sourcing criteria, to drive impact at scale and, significantly, to increase resilience



Our CFO, Ralf Schmeitz, presenting at our 2025 ESG Investor Day in Kaiseraugst (Switzerland)

#### Delivering on our sustainability ambitions

In 2025, we demonstrated some impressive progress against our targets. Let me mention a few key highlights.

Our environmental performance was strong, and we reduced our Scope 1 & 2 emissions by 31% versus 2021, representing a substantial step forward, enabled by our energy efficiency and renewable energy programs. Our Scope 3 emissions reduced by 23% versus 2021, driven by deepened supplier collaboration and eco-steering as well as reduced procured volumes compared to 2021.

Through a range of programs to reduce the global micronutrient gap, acting both independently and through our partnerships, we have now reached 775 million people, bringing us closer to our ambition of reaching one billion people on an annual basis.

Finally, under our new responsible sourcing program for key natural ingredients, we conducted 54 due diligence assessments and took actions on the salient issues that were identified, corresponding to a 48% completion rate of the program. Further transformation work will be required to reach our 100% target, particularly in complex agricultural supply chains.

You can find more information on how we have performed against all of the targets identified in our Sustainability program later in [this section](#).

#### A focus on product-level performance

In recent years, the sustainability community has undergone something of a strategic shift. Lofty commitments are giving way to something more pragmatic and action-driven. Top-down, enterprise-level strategies are complemented with a product-level approach that demonstrates value externally while building resilience internally. While the enterprise-level data remains essential for investors, product-level data is increasingly valuable to customers and consumers who want to make more informed choices.

To address this, we embarked on an ambitious digital transformation. While our Business Units already offer market-leading product information – for example, in the way our EcoScent Compass®, EcoFood Compass® and Imp'Act Card™ make sustainability performance transparent to our customers – we felt sustainability lacked its own end-to-end business process. Our new “Innovate to Impact” approach now enables us to build sustainability objectives into our processes from the outset. We also continued efforts to create more efficient and industry-standardized tools for sustainable portfolio steering, including our co-leadership of a dedicated workstream at the World Business Council for Sustainable Development (WBCSD).

#### Sustainability as a team sport

At the World Sustainability Congress in October, I was asked about organizational enablers for sustainability. I responded that we

cannot leave the topic of sustainability to a small corporate team. Genuine progress can only occur if everyone is pulling in the same direction. Only when the CEO, CFO, Chief Procurement Officer, Chief HR Officer, and other functional and business leads are all aligned and equally engaged can sustainability become a truly cross-functional success.

To that end, in 2025 we redoubled our efforts to embed accountability for sustainability delivery into all Business Units and business functions. Our Global Sustainability Leadership Team now acts as the connector, aligning expertise both across our value chain and among our partners, helping to drive impact at scale.

#### Building a future foundation

As we head into 2026, I am more convinced than ever that the future of sustainability leadership lies in grounding our work in business reality. We have to do more to engage internal teams and external partners. We also need to stress the importance of actions over words and of measuring our impact, as only then will we demonstrate the intrinsic value of sustainability.

Last year, we proved dsm-firmenich is already delivering on that promise. Collaboration has always been the key, as only together can we make an impact at the scale necessary to effect meaningful change. I would like to extend my deepest thanks to all our teams, customers, and partners for making this transformational journey possible.

**Katharina Stenholm**  
Chief Sustainability Officer

# People. Planet. Progress: our Sustainability program

Our Sustainability program<sup>1</sup> starts with our company purpose of bringing progress to life, identifies eight key focus areas, sets a series of time-bound and quantifiable targets for each, and then translates achieving them into a series of actions for our Business Units

Our program aims to deliver:

- Sustainable performance:** Our sustainability work is designed to reduce risks and increase resilience. It helps future-proof our business and position us as the employer, supplier, and investment of choice.
- Value for customers:** By offering sustainable solutions focused on areas based on materiality and commercial relevance, we drive progress with and for our customers.
- Impact at scale:** We have the size, reach, and innovation capability to drive positive impact at scale. As our business grows, our positive societal impact grows too.



<sup>1</sup> The figures in this section are reported on the basis of total dsm-firmenich. ANH is material to our performance and targets. The impact of this is being investigated and will be reported at a later stage.

# How our focus areas are helping us to deliver for People and Planet



## Promote human rights and needs

To truly thrive, people need social fulfilment. At dsm-firmenich, that means starting with the fundamentals: ensuring respect for human rights across our operations and supply chains. Through more responsible business practices, we will not only uphold the highest standards of human rights but also help improve living standards across our value chain. We believe that this all begins with paying our own employees a living wage and ensuring there is no gender pay gap. We then hope to empower all of our people to thrive by fostering a safer working environment and promoting inclusion and belonging in our workplaces.



## Nurture wellbeing

It is often the little things that make the biggest difference. It could be a mouthwatering meal boosting people's mood, or an emotion-evoking scent, but the way people feel matters just as much as any scientific definition of 'health.' Thanks to our world-class capabilities in fragrance, taste, and texture, we can create unforgettable sensory experiences with a positive impact on well-being, personal growth, and development. We practice what we preach by nurturing the well-being of our employees, fostering a culture of mutual value, and using our Global Vitality Office to encourage more informed choices for a healthy lifestyle.



## Design sustainable products

In the modern era, designing sustainable products is a process that has to combine creativity, innovation, robust data, and AI tools. For us, sustainable product development is not about trial-and-error but about employing a structured design approach and leveraging cutting-edge techniques to create products that meet the very highest standards. We use Safe and Sustainable by Design (SSbD) principles to assess our impact, apply 'end-in-mind' thinking to ensure that sustainability is considered from the start, then apply design-build-test-learn cycles through our Science & Research centers.



## Safeguard nature and biodiversity

Everything on the planet depends on nature. As a leading innovator in health, nutrition, and beauty, we are reliant on the biodiversity that underpins our sensory products and bio-based solutions, both for the inputs and ingredients we use and produce, and for the inspiration behind our creations. We are on a mission to safeguard nature – for example water, biodiversity and forests – in our high-risk value chains, working with our suppliers and partners to find more sustainable solutions.



## Fuel healthy lives

Whether it's individual well-being or societal prosperity, helping people to live healthier lives requires a strong foundation. Through our world-leading science and research capabilities, we develop solutions to some of the most pressing nutrition and dietary problems. We know prevention is better than the cure and work on everything from addressing the micronutrient gap to transforming diets and closing the health longevity gap. No matter how essential our solutions are, however, we cannot make a positive impact unless our solutions reach those who need them. To this end, we always look to forge new partnerships with government agencies, NGOs, and the private sector.



## Foster a responsible supply chain

We are driving progress across our value chains by joining forces with suppliers to create sustainable value for all. We embed sustainability into our procurement and purchasing decision-making processes from the start. This includes setting minimum requirements for our suppliers and monitoring their sustainability performance, which in turn allows us to assess risk levels, address specific customer requests, and respond to key supply chain challenges. We also engage with our procurement managers worldwide, invest in upskilling initiatives to maximize their knowledge of sustainable sourcing best practices, and take part in industry coalitions to drive impact at scale.



## Accelerate climate action

Climate change is the defining challenge of our time. At dsm-firmenich, we are determined to play our part in tackling it within our business, value chain, and beyond. We are making significant investments in reducing our emissions and have set ambitious, integrated climate targets – validated by the Science Based Targets initiative (SBTi) in 2024 – in line with the latest climate science for keeping global warming to no more than 1.5°C. Thanks to our advanced Science & Research capabilities, we are also supporting our customers with their own climate journeys by providing innovative products and tools that create impact at scale and bring progress to life.



## Conserving our planet's resources

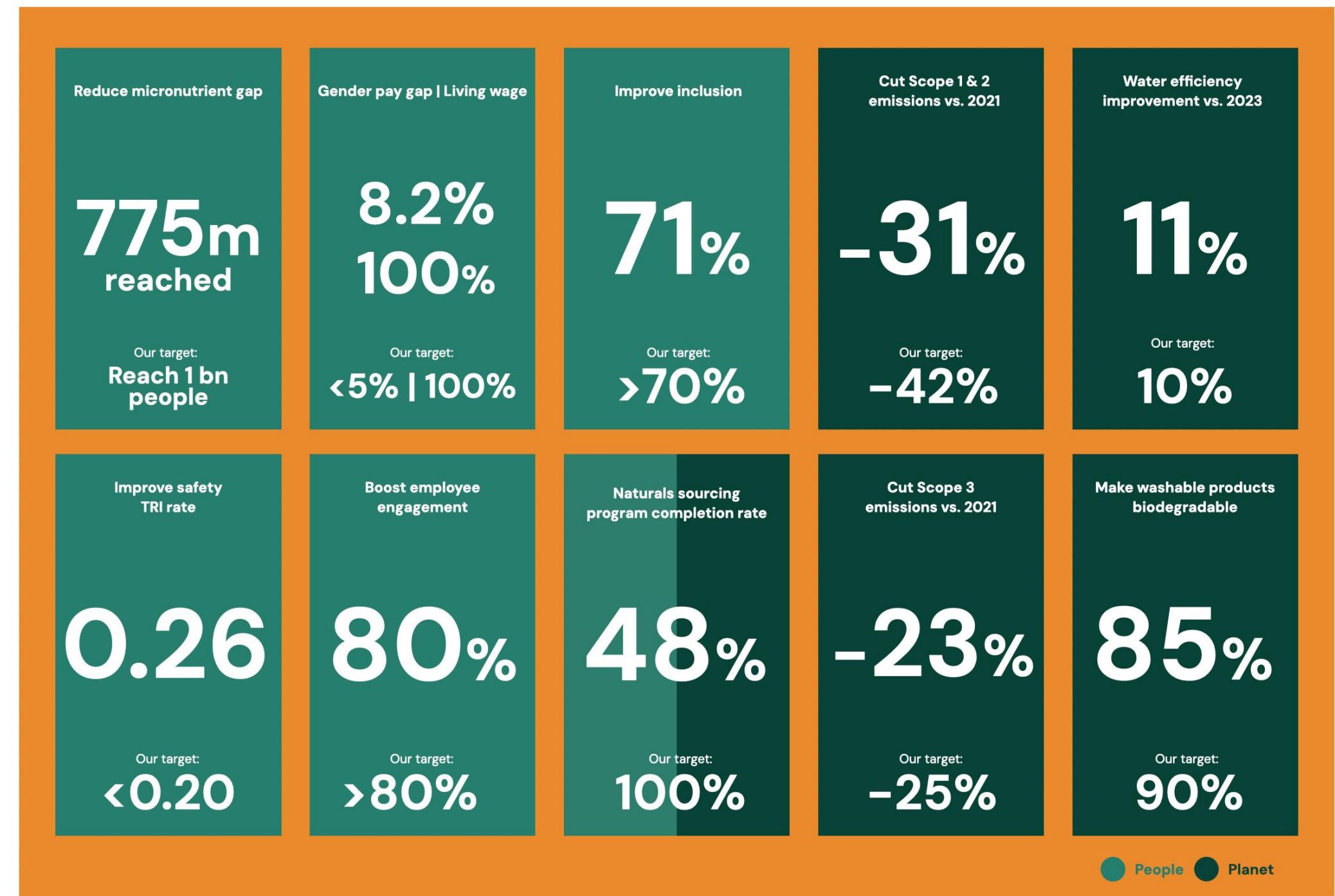
Taking only what we need and putting back what we can: that's our philosophy when it comes to resource conservation. This is critical, as everything we need to thrive, from food and water to air and shelter, relies on our planet's resources. To conserve these for future generations, we are taking actions that boost productivity, eliminate waste, and prevent contamination. Over the years, we have invested in water re-use, thereby reducing the amount of water we withdraw at our sites. Through initiatives like these, and by optimizing our site operations and collaborating across the value chain, we commit to using only what we need.

OUR PERFORMANCE &gt; SUSTAINABILITY &gt; OUR SUSTAINABILITY PROGRAM

## Our 2030 targets – measurable, transparent, and timebound

As part of our Sustainability program, we have set clear, ambitious, and science-based targets that are to be achieved by 2030.

In 2025, we made good progress. We met our target of paying a living wage to all employees, as well as our Inclusion and Employee Engagement targets. We made progress on our targets on micronutrient gap and responsible sourcing of key natural ingredients, as well as our climate targets. Our climate targets are SBTi-validated, and we aim to be net-zero by 2045.



## Our program activities

The activities outlined in the following pages represent some of the practical ways we are bringing our program to life. Each story shows how we are translating commitments into action, demonstrating how sustainability is embedded across our operations, value chains, decision-making, and culture.

Every story is categorized into one of four areas, each grouped along the value chain:

- **Upstream value chain:** Activities that focus on responsible sourcing and sustainability practices across our suppliers and partners
- **Own operations:** Activities that address our sustainability impacts through efficient, responsible, and safe business practices
- **Downstream value chain:** Activities that support customers through sustainable products and services that deliver positive long-term impacts
- **Future foundation:** Activities that show how we are building capabilities, systems, and partnerships to support our long-term sustainability progress and targets

## Our upstream operations

The art and science of Scope 3 decarbonization strategies  
The sustainable ripple effect: how due diligence is driving change  
Cultivating a smarter human rights approach in Bulgaria's Rose Valley

## Our own operations

How inclusion and belonging are building a more engaged workforce  
Six years of safety: transformative leadership at our Campinas site  
How a forklift competition helped raise our safety skills in Kunming  
Rise Together: putting inclusion and belonging into meaningful action  
Why Scope 1 & 2 decarbonization is the quietly essential path to net zero

## Our downstream operations

Tackling rising malnutrition and reducing the global micronutrient gap  
Perfumery, beauty, biodegradability: how better ingredients are reducing our impact  
Transforming global diets without compromising on taste and texture

## Our future foundation

The new currency of sustainability: how data delivers value  
Our intertwining approaches to the business and natural worlds  
Embedding human rights into our value chain for the long term

# The art and science of Scope 3 decarbonization strategies



**Scope 3 data can sometimes feel like the weak link in emissions reporting, leaving companies to rely on a messy patchwork of inconsistent or incomplete assumptions.**

At dsm-firmenich, when we begin the delicate task of piecing together our Scope 3 data, we see it as an opportunity to transform a once-fragmented landscape into a more connected, insightful overview. We increasingly regard decarbonization strategies as both an art and a science in which we have to strike a careful balance between rigor and creativity.

## The difficulties of decarbonization

To achieve the goals set out in the Paris Agreement, companies have to start moving

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Progress doesn't come from perfect data but from a system that improves through collaboration. Data may chart the path, but engagement moves us forward.”



**Rachna Arora**

Senior director Climate Programs, Sustainability

beyond incremental change. In that context, Scope 3 emissions, which sit largely outside an organization's direct control, pose a challenge.

At dsm-firmenich, we are confronting that challenge head-on. In 2025, we set out to make our Scope 3 program stronger, smarter and faster, shifting our emphasis from broad estimates to richer, activity-based data, supported by sharper digital tools and a more disciplined data architecture. We also deepened our collaboration with suppliers, using targeted outreach to secure primary data, and updating our decarbonization roadmaps to align the business more tightly around shared goals. If the 'science' of decarbonization is our data, the 'art' is in prioritization and persuading a diverse value chain to move in step.

## The data-based science of Scope 3

While 93% of our emissions lie beyond our control, they are still well within our sphere of influence. Spread over thousands of suppliers, Scope 3 data behaves less like a static inventory and more like a living ecosystem in which every shift reshapes the larger picture. The science of Scope 3 begins with ensuring our numbers are fit for purpose. Primary data remains the gold standard, though it requires alignment on methods, formats, and verification, while secondary data must be rigorously assessed for transparency, consistency, and comparability.

What anchors this work is the confidence that comes from third-party assurance. By subjecting our data, methods, and systems to external scrutiny, we reinforce the credibility of our disclosures and ensure that the decisions we make are built on sound information. While perfectionism can stall progress, our rigorous 'data purification process' gives us the granular, category-level insights that turn reporting into readiness for meaningful action.

## If science is the basis, art is the bridge

With most Scope 3 emissions sitting in our upstream value chain, our suppliers are critical

to success. However, when you have thousands of suppliers at varying stages of maturity, a one-size-fits-all approach simply doesn't work.

This is where science can use a little bit of art. By using data to identify where to focus our engagement (based on emissions, climate maturity, and business criticality), we can make sure our efforts are efficient and effective. While broad engagement is important if we are to deliver against our ambitious targets, we need to focus on rapid and scaled decarbonization. Programs such as "Joining Forces" exemplify this approach, offering collaboration platforms, shared best practices, and ongoing training, to ensure that our suppliers understand both our technical requirements and, importantly, the shared purpose of decarbonization.

## Bringing it all together

For us, the art and science of Scope 3 are intertwined. The data provides the structure and insight, but the art of engagement brings that structure to life. Only through this combination of rigorous analysis and human-centred engagement can meaningful carbon reductions across the value chain be realized.

OUR PERFORMANCE &gt; SUSTAINABILITY &gt; OUR ACTIVITIES &gt; OUR UPSTREAM OPERATIONS

## The sustainable ripple effect: how due diligence is driving change



At dsm-firmenich, we have made great strides in transforming our thinking on due diligence and responsible sourcing. Today, it is a key strategic driver for long-term value creation, the effects of which are already rippling out across our value chain.

In 2025, we continued working to replace more conventional strategies with a robust, fact- and data-based approach. We are now integrating sustainability directly into procurement decision-making, ensuring that the right choices create a ripple effect that protects people, supports communities, and safeguards natural resources, contributing to more resilient supply chains. Aligned with international standards and reviewed by third parties, our

Supply Chain Due Diligence framework is deployed across the value chain as a continuous journey of collaboration, learning, and improvement. Working side by side with suppliers, we transform insight into action and deliver lasting impact, and whenever we identify a salient gap, we design targeted action plans and engage stakeholders in a collective journey toward progress for People and Planet.

### Key achievements

In 2025, we rolled out our new Due Diligence framework (for more information, please see [Sustainability Statements](#)), conducted 54 field due diligences, and trained 79% of targeted suppliers on human rights.

“

Our approach is coming to life in Bulgaria's Rose Valley. Working with farmers, pickers, suppliers, UNICEF, NGOs, administrations and more, our teams are joining forces to drive systemic change and create a long-term, positive impact.”



**Thomas Andro**  
Vice President, Responsible Sourcing

## Cultivating a smarter human rights approach in Bulgaria's Rose Valley

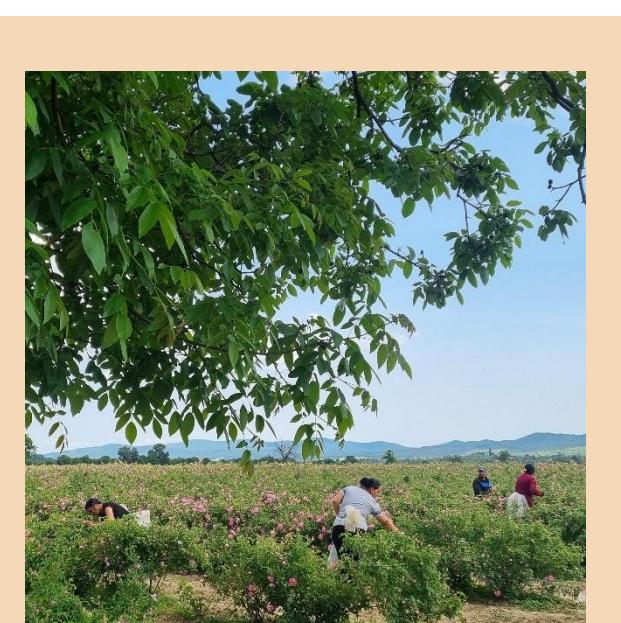


Harvested in a valley just south of the Balkan Mountains, the Rose Damascena flower is hand-picked to ensure maximum freshness and oil content on reaching the distilleries.

This meticulous process relies on seasonal workers and smallholder farmers, groups that have traditionally been at risk of exploitation. To improve outcomes for these communities, we used insights from our due diligence approach to shape a practical, tailored response.

Guided by international standards, we work with locals to take shared responsibility, close gaps, and amplify impact. We are actively involved in sector-wide initiatives, working with governments, NGOs, and local communities to protect children's rights and help build more secure futures.

In this project, we began by mapping the supply chain and working with suppliers on targeted action plans to strengthen human rights and environmental due diligence. Working through our Progress Foundation, we then partnered with UNICEF, suppliers, and local municipalities to address child labor risks in the Rose Valley through coordinated, community-based action.



**Joining forces for systemic change**

In 2025, we partnered with UNICEF to promote responsible business, strengthen protections for children and improve access to social benefits for seasonal workers' families. We also joined the Bulgaria Rose Working Group, which advances responsible sourcing in Bulgaria, guided by an industry-developed roadmap with Union for Ethical BioTrade (UEBT) and supported by advisory and remediation input from our UNICEF partnership.

# How inclusion and belonging are building a more engaged workforce



**Sustainable innovation cannot happen in isolation. It only emerges when different groups of people can connect and disparate ways of thinking and collaboration are allowed to flourish. If people are provided with a working environment in which they feel trusted, then real impact can begin.**

At dsm-firmenich, we view the need to engage our workforce as more than a corporate imperative; we see it as a pivotal driver of progress. It is not enough to say that “inclusion and belonging are at the heart of our culture.” That fact has to be tested and retested each year, with feedback sought from employees.

Our latest [Employee Engagement Survey](#) reflects this effort an inclusion score of 71%, up four points from last year, and an engagement score of 80%. While these numbers are encouraging, the real change is visible in daily interactions: meetings enriched by diverse perspectives, candid, constructive mentorship conversations, and creative problem-solving that spans geographies. These achievements are the product of intentional programs and everyday practices that embed engagement into the way we work. From inclusive team discussions to structured feedback loops, we worked hard to cultivate an environment where employees feel empowered to contribute,

challenge ideas and take ownership of their own outcomes. It is in this combination of culture, connection, and accountability that engagement becomes more than a metric: it becomes a force for sustained innovation and shared success.

## WorkTogether: where flexibility meets belonging

At dsm-firmenich, we embrace flexibility. We know that the way people work fuels both their impact and their well-being. Throughout 2025, we worked on a range of engagements to help our employees get the most from flexible work, including WorkTogether. Post-pandemic, there was a big shift to hybrid working. Making that work across a business of our size, however, takes a deliberate effort. In 2025, our WorkTogether program sought to codify our global approach to hybrid working. The shared expectation of being on-site around 60% of the time (and being flexible the rest) strikes a respectful balance between the drive for collaboration and individual needs. After all, being present matters. Hallway conversations, impromptu brainstorming, and mentoring sessions accelerate learning, strengthen trust, and spark innovation. We structured WorkTogether to make these interactions intentional, and the result is a balance of



Employees at our manufacturing site in Princeton, New Jersey (USA)

connection and autonomy that supports both culture and performance.

## From awareness to genuine allyship

Launched during Pride Month by our Be You Employee Resource Group, the Global Allyship program seeks to turn awareness into action. Developed with our employee resource groups, it equips all of us to identify bias, advocate for equity, and actively support colleagues from underrepresented groups. Learning modules, storytelling, and practical tools help us translate intent into behavior and strengthen trust across

teams. From peer mentorship programs to inclusion-focused innovation workshops, allyship is taking root in our day-to-day work. It shows that culture transformation is not only top-down: it grows from our collective choices and actions.

## Key achievements

In 2025, we achieved an Inclusion score of 71% and an Engagement score of 80%. We also had over 100 participants in our Women Acceleration Program, and elevated 630 Mental Health Champions company-wide.

OUR PERFORMANCE &gt; SUSTAINABILITY &gt; OUR ACTIVITIES &gt; OUR OWN OPERATIONS

## Six years of safety: transformative leadership at our Campinas site



At our HNC Campinas site in Brazil, safety is a collective achievement. Leaders from production, maintenance, and other departments work side-by-side with the operations team to ensure that SHE standards are understood from the bottom up, then applied from the top down.

This daily commitment to safety is reflected in six years of no incidents. Campinas practices hierarchy of controls, always focusing first on eliminating risks. Local leadership encourages everyone to participate in observation rounds, Gemba Walks (a Japanese Lean management practice whereby leaders physically go to the real place, or Gemba, where work happens), and audits, most of which are managed digitally for

ease of use. Sharing learnings from incidents at other sites also helps foster a more proactive approach, and engagement is recognized via quarterly awards and celebrating achievements together. However, this is only possible due to an actively involved and supportive leadership, one that embraces initiatives and encourages growth. Being present, communicating openly, and giving people opportunities to participate have strengthened engagement and trust, ultimately improving safety.

### Key achievements

In 2025, we reached six years injury-free, zero LOPC or process safety incidents, and over 1,200 SHE and Sure Start observations.

“

Our safety record reflects the care, discipline, and responsibility of everyone at Campinas site. Consistent practices, strong teamwork, and attention to detail have helped create a safer workplace for all.”



**Bruno Utembergue**  
Site Manager, Campinas HNC

## How a forklift competition helped raise our safety skills in Kunming



The recent increase in forklift-related incidents at our Kunming site (Yunnan province, China) was the trigger for our site management team to act.

The challenge was to raise awareness and knowledge about the safe use of forklifts. Importantly, this initiative was fully aligned with our Life Saving Rule for transport and warehouse safety, which sets the standard for safe practices in all logistics operations at all dsm-firmenich sites.

To put this new process into practice, the site management team organized a forklift workshop and skills contest, led by colleagues outside the Safety, Health & Environment function. Through group discussions of real cases and hands-on activities, everyone from drivers to participants and the audience became more aware of risks and motivated to improve. By aligning our efforts with the LSRs, we saw drivers deepen their understanding of safe forklift operation and identify skill gaps. All participants, including observers, became more aware of risks and learned to recognize potential hazards. Most importantly, the fun and participatory activities brought colleagues closer together, strengthening mutual care and making safety a shared responsibility for all.



**Safety first: navigating the new rules**

The Kunming site's success was built on a whole suite of practices. These include conducting routine inspections and dedicated permit checks, following up on actions, embedding safety topics in daily meetings, learning from incidents through root cause analysis at the shop-floor level, recognizing safe behaviors and encouraging group engagement with awards, and finally organizing diverse activities to promote learning and awareness.

OUR PERFORMANCE &gt; SUSTAINABILITY &gt; OUR ACTIVITIES &gt; OUR OWN OPERATIONS

## Rise Together: putting inclusion and belonging into meaningful action



At dsm-firmenich, we believe that building a sustainable business means investing in the people who lead it. Rise Together, our six-month leadership acceleration program, is designed to do exactly that, putting women at the center while engaging sponsors, line managers, and HR Business Partners to drive systemic change across the organization.

Participants take part in Discovery Labs, sponsorship circles, and conversations that explore what it means to lead with identity, influence with integrity, and transition from performer to strategist. Each month has a new focus, cultivating confidence and advocacy while linking personal growth to our core values. Rise Together is not just a classroom exercise; it

is a platform for building networks, challenging assumptions, and practicing leadership in real-world contexts. Participants talked of how it created a safe space to share experiences, ask questions, and gain insights from peers and senior leaders. By equipping people to lead more inclusively and advocate for equity, the program strengthens leadership pipelines, accelerates cultural transformation, and ensures that inclusion is embedded in the thinking of tomorrow's leaders.

### Key achievements

In 2025, 100% of women reported feeling more confident navigating their careers and 89% were taking steps toward new opportunities.

“

The Rise Together program offers a unique space for women leaders to explore experiences and questions in confidence and kindness. It also helps create a strong network with our top management.”



**Marie Ducamp**

Senior Director, Palette and Formula Management TTH

## Why Scope 1 & 2 decarbonization is the quietly essential path to net zero



For all the focus on Scope 3 emissions, the heavy lifting of decarbonization still begins at home. Scope 1 & 2 emissions, accounting for around a tenth of our footprint, serve as a real proving ground for credibility, resilience, and operational discipline.

Our pathway to net zero involves reducing our energy demand by modernizing aging assets, implementing more efficient technologies, and turning to renewable energy for electricity and heat. At several sites we are doing both, turning to renewable energy while seeking efficiency gains to reduce costs. Two mature technologies (heat pumps that generate hot water, and mechanical vapor recompressors) are being used wherever suitable, and we are also looking at high-temperature, steam-generating pumps. So far, these have not reached the necessary maturity or conditions, but they may yet be a key solution for our longer-term perspective.

Our Minhang facility (Shanghai, China) set a great example of what is possible, installing a pair of heat pumps in 2025 and slashing emissions almost in half while cutting costs and earning local goodwill. Such projects show that decarbonization succeeds not by heroic technological leaps but by cumulative steps.



In 2025, we hit our 100% renewable electricity target ahead of schedule

Guided by the RE100 criteria, we achieved this by emphasizing credible renewable electricity across the globe. By 2024, we had achieved 95% purchased renewable electricity globally, and the main challenge in 2025 was a final push to 100% in China. Further increases in renewable energy will focus on heat, being an even more challenging step, requiring site-specific approaches and eventually significant infrastructure changes.

# Tackling rising malnutrition and reducing the global micronutrient gap



After decades of progress, the global fight against malnutrition has suffered a dramatic setback. Mortality linked to undernutrition is rising for the first time in decades, driven by armed conflicts, climate-related disasters, economic shocks following the COVID-19 pandemic, and global inflation.

These pressures were compounded by a sharp reduction in humanitarian funding early in 2025, which curtailed essential nutrition programs in vulnerable regions. Today, an estimated 45 million children under five suffer from wasting, while more than four billion people experience deficiencies in essential micronutrients. The reversal of long-held gains underscores the urgent need for targeted, science-driven interventions to restore health outcomes and build resilience against future crises.

“

Through public health supplementation and fortification, we work with partners to deliver science-based solutions that improve nutrition today and unlock healthier, more economically resilient communities tomorrow.”



**Doriane Nzorubara**

Senior Group Sustainability Manager, Nutrition & Health

## Nutrition improvement

In response, dsm-firmenich is leveraging its Nutrition Improvement segment to address critical micronutrient gaps, with the ambition of reaching one billion people worldwide by 2030.

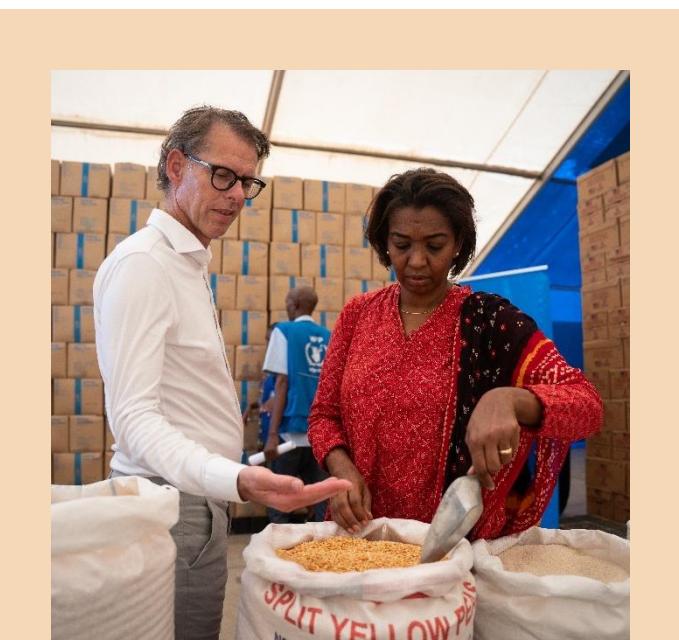
Our strategy combines the large-scale fortification of staple foods, such as rice and flour, with public health supplementation programs for vulnerable populations. In addition, we deploy emergency therapeutic foods in crisis situations, ensuring immediate relief while creating long-term pathways for healthier diets. These interventions do more than correct nutritional deficiencies; they also shape future markets, cultivating demand for fortified and nutrient-rich products and supporting sustainable economic development.

## Working with the UN International Multiple Micronutrient Antenatal Preparation

A great example of our impact is the UNIMMAP Multiple Micronutrient Supplementation (MMS) program. Designed to provide essential vitamins and minerals during pregnancy, the program addresses deficiencies that contribute to poor birth outcomes and maternal health complications. We played a key role in both the development and acceleration of access to MMS, applying our scientific expertise, formulation knowledge, and global reach to ensure high-quality production at scale. This meant we could distribute to the populations most in need, transforming maternal and child health outcomes in multiple regions. By combining innovation, evidence-based strategies, and global partnerships, we are demonstrating how science-driven interventions can reverse trends in malnutrition, improve diets, and establish the foundation for healthier, more resilient populations.

## Key achievements

In 2025, we reached 775 million beneficiaries with our nutrition improvement solution, started the development of rice fortification standards, and received UNICEF's approval for our MMS production in South Africa.



**Our ongoing partnership with the WFP**

Supported by the Progress Foundation, our two-decade partnership with the World Food Programme (WFP) renewed in 2025 through to 2027. Our collaboration targets 60 million people in 32 countries, delivering fortified staples and specialized nutritious foods to improve diets and resilience in food-insecure regions. Combining cutting-edge nutritional science with WFP's global reach, we are scaling solutions to fight hidden hunger and transform food systems worldwide.

OUR PERFORMANCE &gt; SUSTAINABILITY &gt; OUR ACTIVITIES &gt; OUR DOWNSTREAM OPERATIONS

## Perfumery, beauty, biodegradability: from ingredients to positive impact



The scientists, perfumers, and researchers in P&B increasingly view biodegradability as central to reducing our environmental impacts.

By transitioning our ingredients, we relieve pressure on aquatic ecosystems, support biodiversity, and lower the risk of bioaccumulation in sensitive species.

This is why we are integrating biodegradability into our ingredient discovery and development process. Each ingredient is assessed through four key lenses – Persistence, Biodegradability, Mobility, and EcoToxicity – using tools such as the BioEcoTox Gate and the Sunscreen Optimizer, ensuring that innovations meet both market expectations and environmental standards. This helps minimize the amount of ingredients needed and replaces undesirable components with biodegradable alternatives.

Through better ingredient design and innovative development tools, we are creating formulations that perform beautifully while leaving a lighter mark on the planet, proving that beauty and environmental responsibility can go hand in hand.

**popscent® eco: our most advanced encapsulation technology**

popscent® eco is biodegradable and REACH-compliant, delivering a roughly 35% reduction in our carbon footprint compared to previous products. Its adoption has surged by 200%, showing how strongly it aligns with new market and regulatory trends. In 2025, our newest technology, popscent® Eco-Max, achieved a huge manufacturing scale-up, which we hope will accelerate the adoption of next-generation eco-encapsulation ranges.

## Transforming global diets without compromising on taste and texture



One of the more notorious challenges in diet transformation is striking the right balance between competing consumer demands. People want lower sugar and salt, but not at the expense of taste, and they gravitate to products with higher protein, but not if the texture is wrong.

At dsm-firmenich, we work with cultures, colorants, nutritional ingredients, and plant-based proteins to deliver products that are delicious, nutritious, and more sustainable. We also make use of cutting-edge technological innovations. Advanced digital tools, including AI and machine learning, have helped us optimize our nutritional value and taste & texture profiles while improving shelf life, while tools like the EcoFood Compass® work to provide more

transparent data on our environmental impact, allowing us to substantiate our claims. The impact is tangible. For example, our cocoa replacement powder CocoaCraze™, achieves 80% lower water use, 97% lower land use, and a 90% reduction in carbon footprint compared to traditional powder. Equally, Veramaris® Pets, our natural marine algal oil supplement for pets, saves 200,000 MT of wild fish, which not only equates to preserving 3.5 billion fish annually but also cuts emissions by 47,000 MT.

### Key achievements

In 2025, we advanced our product footprint and LCA coverage, scaled EcoFood Compass® use, and enhanced traceability and due diligence for high-risk natural ingredients.

“

With newly developed enzymes we continue to drive efficiency in food systems, driving down resources footprint, both raw material as well as energy and CO<sub>2</sub>”



**Dirk Lippits**

Executive Vice President, Ingredient Solutions TTH



OUR PERFORMANCE > SUSTAINABILITY > OUR ACTIVITIES > OUR FUTURE FOUNDATION

# The new digital currency: how data is enabling the sustainable transition



**Sustainability data is rapidly becoming one of the most valuable strategic assets a company can have. What began as a mere compliance requirement can now be a real advantage, as those who generate credible, product-level intelligence are able to shape markets rather than respond to them. This moves environmental performance from a constraint to be managed to a lever for value creation, resilience, and growth.**

Historically, sustainability performance relied on a jumbled assortment of proxies and estimates, usually assembled hastily and retrospectively for disclosure or reporting purposes. No longer. Expectations have now moved toward precision, transparency, and decision relevance. At dsm-firmenich, we recognized this inflection

point early. Our company has moved from enterprise-level reporting toward detailed, product-level sustainability intelligence, an evolution that is reshaping decision-making. Metrics that once sat at the margins now inform portfolio steering, investment prioritization, and operational trade-offs. Sustainability is shifting from a retrospective reporting exercise to a forward-looking management discipline.

## The digital foundation

As the focus moves from broad commitments to sustainable product steering, a robust digital foundation is essential. This is why we established our Sustainability Digital Northstar, a comprehensive vision for sustainability digital transformation. In essence, this is a ledger, a

single, trusted, end-to-end system that captures and connects data across the value chain with architecture underpinned by a state-of-the-art Sustainability Data and AI strategy.

Here, enterprise-wide data governance and a unified source of truth ensure consistency, auditability, and decision-ready insights. Rather than fragmented datasets for individual functions, we are building an integrated system that aligns sustainability intelligence with financial and operational data, strengthening both credibility and strategic relevance.

## Harnessing AI innovation

At the core of the Digital Northstar is an AI-enabled sustainability information system that curates metrics, insights, and evidence. Over time, this will be complemented by decision cockpits that allow leaders to track progress against targets and make better steering decisions. Advanced data capabilities will support end-to-end accounting for Scope 3 emissions while digital management reporting will enhance transparency across climate, health, nutrition, and social impact indicators. Automated supplier intelligence will improve traceability, risk management, and compliance with regulations such as the EU Deforestation Regulation, while scalable product footprinting

and assurance-ready data management will form the backbone of non-financial reporting, double materiality assessments, and regulatory alignment.

## Data as credibility

Data separates substantiated leadership from unsubstantiated claims. Granular, reliable information enables confident decision-making and ensures that sustainability commitments are credible, auditable, and trusted by stakeholders. Critically, robust data infrastructure transforms sustainability from a perceived cost into a value driver, enabling new commercial models and competitive differentiation.

## The challenge and the opportunity

Our progress accelerated dramatically in 2025. Teams were upskilled in data management and AI applications, Scope 3 methodologies were modernized, product carbon footprinting was scaled, and executive reporting now tracks monthly progress against sustainability targets. Challenges remain, particularly fragmentation across systems and processes, yet as of 2025 we are well on our way toward moving from retrospective reporting to proactive steering and smarter portfolio decisions.

“

In the ongoing transition to more sustainable business models, data is the new gold standard. We increasingly see it as the currency that turns ambition into advantage and environmental performance into trust and long-term value.”



**Rouzbeh Amini**

Vice President Sustainability Performance

OUR PERFORMANCE &gt; SUSTAINABILITY &gt; OUR ACTIVITIES &gt; OUR FUTURE FOUNDATION

# Our intertwining approaches to the business and natural worlds



We are often asked what nature means for us as a business. Increasingly, this is not a fringe concern but a core strategic challenge, as our performance, resilience, and long-term growth are inseparable from the health of natural systems across our value chain.

Put plainly, the business world affects the natural world, and vice-versa. This is why our approach to nature is such an important part of our business strategy. It focuses on tackling critical nature-related challenges across four key areas, and works to address our nature impacts across our business. These include:

- **Our own operations:** We increase water efficiency and reduce water pollution (nitrogen and phosphorous)
- **Our upstream value chain:** Our responsible sourcing process reflects the importance of nature through supplier qualification and our due-diligence activities at source
- **Our products:** We work to improve the biodegradability of our washable products
- **At landscape level:** Our commitment to work at landscape level is designed to deliver impact at scale for water and biodiversity both beyond our operations and in our value chains

## Our approach to nature

**Our approach to nature**

While nature impacts from our own operations are within our direct control, our products and sourced raw materials allow us to extend our positive impact across the value chain. Working at landscape level further enables impact at scale on water and biodiversity, supporting long-term water availability, quality, and ecosystem health. For a more detailed version, please see our [Sustainability Statements](#).

# Embedding human rights into our value chain for the long term



Respect for human rights is a foundational element of our Sustainability program and a strategic priority across our value chain.

Our commitment goes far beyond international standards. It reflects a fundamental belief that responsible business practices are essential to building trust, safeguarding resilience, and creating shared value for People and Planet.

Achieving this requires a clear understanding of where our activities may pose risks, so in 2025, we conducted a global human rights risk assessment. Aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, it examined our activities through a geographic, sectoral, and operational lens. Risks were prioritized based on the severity of potential harm and the likelihood of impact on rightsholders.

We identified key risks within our own operations, including working conditions, discrimination, freedom of association, collective bargaining, and environmental degradation with human rights implications. In the supply chain, child labor and forced labor emerged as additional risks.

## Our annual Human Rights Report

The report, which you can find [here](#), outlines our commitment to human rights across our operations and supply chains. It details our policies, due diligence frameworks, engagement programs, and initiatives on child labor, fair wages, and worker protection. We will publish an updated report in 2026, which will highlight our progress on audits, training, and collaborations, while also emphasizing transparency, grievance mechanisms, and compliance with global legislation.



# Our ratings and rankings

**Sustainability is an overarching goal of ours, but we also like to think about it in material terms. This is reflected by our inclusion in several key environmental, social, and governance (ESG) benchmarks and ratings, many of which rate us as a (sector) leader.**

Given the number of benchmarks, participating in each isn't feasible, so we annually review and prioritize participation. In 2025, our priorities and outcomes were as follows:

## CDP

We secured a Double A rating for Climate and for Water Security for our disclosures in 2025 on the reporting year 2024, placing us in the top 4% of companies scored by CDP globally.

## EcoVadis

We received a Platinum medal from EcoVadis in January 2026 on our 2025 performance. This rating places us in the top 1% of all companies assessed by EcoVadis in the past 12 months.

## Bloomberg

Bloomberg rated us as Leading on the three dimensions of Environment, Social and Governance.

## 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 above industry average performances on governance, product carbon footprint, and water stress practices.

## S&P Global CSA

We received an ESG score of 59 from S&P Global, an improvement of 12 points versus 2024.

## OUR PERFORMANCE &gt; QUALITY

# Quality

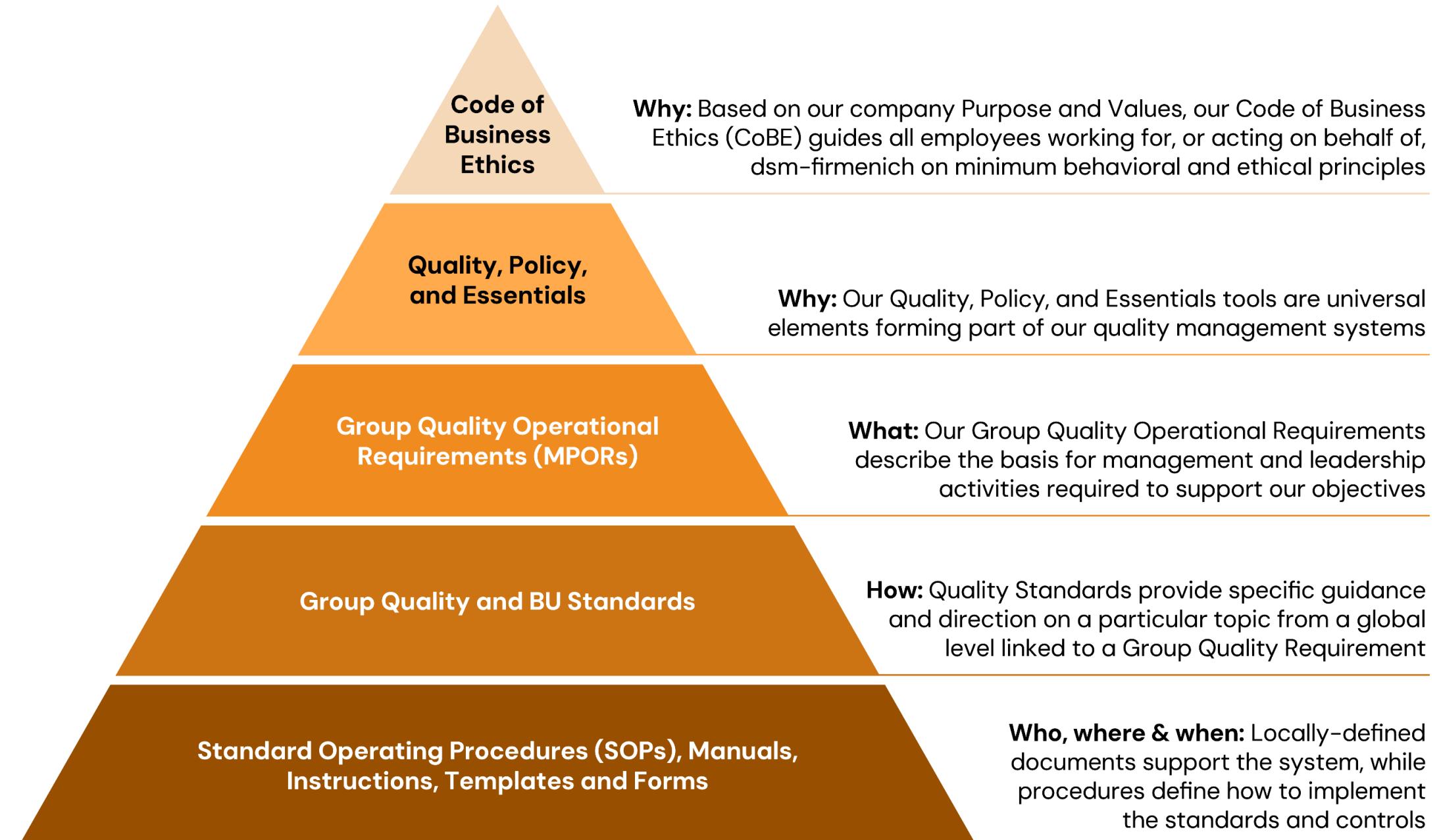
**Quality is a key differentiator for business growth. It is every customer's right and every employee's responsibility, as well as a shared commitment across every role and function.**

We apply this philosophy to each individual customer transaction and to everything that underpins them. Our goal is to be the partner of choice for our customers, understanding their needs and delivering on their expectations in a close collaborative relationship. With this goal, we embrace all the possibilities of cross-functional collaboration to deliver excellence and drive continuous improvement.

## Our Quality strategy

Our Quality strategy is anchored in a comprehensive governance model comprising guiding principles, requirements, standards, and procedures that direct quality at both the Group and Business Unit level. The practices required to implement these are set out in our quality management system governance documents, including the management principles, operational requirements, standards, and standard operating procedures.

The theory and practice of our strategy are captured in our Quality Policy and Quality Essentials. Our entire approach supports our purpose and values and is governed by our [Code of Business Ethics](#).



Our Group Quality strategy – Quality Management System



## Quality at Group level

Our Quality vision, policy and Group-wide quality management system exist to ensure customer satisfaction, Quality compliance, and Group-wide Quality risk management. Quality requirements in key areas such as supply and procurement, design and innovation, production, distribution, and customer requirements are defined at this level. The Group provides shared expertise in fields such as product protection, digitalization, and any other quality-related topics, benefiting the company as a whole. External certifications such as ISO and FSSC are managed at this level, as is the management of Group key performance indicators.

## Quality at Business Unit level

Our Business Units interface directly with our customers and are therefore responsible for managing all customer-related quality activities. The Business Units conduct global activities within their own organization, ensure performance against external certification standards, and manage both Group Quality policies and Quality priorities specific to their own organization.

Together, Group and Business Unit Quality form the Quality Leadership Team, and they oversee and support Quality operations at site level. By means of key cultural transformation initiatives such as the Quality Awards, campaigns and celebrations, we create one quality community that is fully committed to our core quality principles and delivering our ambition to be the partner of choice for our customers.

## Our core Quality principles

Our Executive Committee, management and employees are fully committed to our policy and act in accordance with our four principles:

- **Quality culture:** We foster an environment that emphasizes how quality and product protection are every customer's right and every employee's responsibility. We strive for operational excellence and zero defects, empower employees to identify and initiate ideas to improve our processes and take action to protect customers and our planet
- **High standards:** We comply with all local and international laws, follow relevant market standards for quality, food and feed safety, fraud, and defense. We maintain pharmaceutical and cosmetic good manufacturing practices and religious business management practices (Halal, Kosher)
- **Crafted with care:** We take pride in creating, manufacturing, and delivering safe products. We use state-of-the-art tools, processes, and an effective integrated end-to-end quality management system to ensure our products and services meet the highest standards
- **Continuous improvement:** We actively seek customer feedback and use this to help us improve. We drive sustainable quality performance by establishing and monitoring measurable quality objectives to improve and prevent quality defects continually. We pursue excellence in execution

## Celebrating World Quality Day 2025

For three consecutive years, we have celebrated World Quality Day. The theme for World Quality Day in 2025 was "Cultural Transformation Through Thinking Differently." We developed this theme to help our colleagues understand how we all have a role in maintaining and improving quality by embracing four essential behavioral elements:

- Mindset shift
- Empowerment
- Innovation in quality
- Leadership

## The dsm-firmenich Quality Awards 2025

We celebrated our second consecutive dsm-firmenich Quality Awards in 2025. This initiative stimulated great efforts in creative problem-solving, generating 36 entries. The winning sites were Tuas (Singapore), Thirsk (UK), and a combination of premix sites in Latin America. The winning initiatives demonstrated that consistently keeping quality at front of mind in daily activities can significantly enhance our performance.



## OUR PERFORMANCE &gt; DATA GOVERNANCE AND AI

# Data governance and AI

## Data governance

Data governance is a cornerstone of our digital transformation strategy, and we work to ensure data remains secure, reliable, and valuable across the organization, via our data foundation program. In 2025, we advanced several policies and standards to strengthen our governance framework, defining roles and responsibilities, establishing taxonomies, and setting quality benchmarks to ensure consistency and compliance across domains. In parallel, we continued to evolve and rationalize our data ecosystem so that data can flow seamlessly and securely across the company as products of business processes, while still supporting ongoing and new analytics, AI, and innovation.

## Governance, oversight and engagement

In 2025, we enhanced our Responsible AI policy by establishing a dedicated Responsible AI committee to oversee governance, transparency, and ethical conduct. It manages risk assessments, compliance, and development procedures. Our Data and AI Standards clarify roles, guide buy-vs-build decisions, and support teams in delivering scalable solutions. We also engage employees, customers, and partners to address concerns related to AI deployment. Through transparent reporting and ongoing dialogue, we assess impacts on sustainability, human rights, and ethical conduct, supporting long-term value creation.

## Artificial intelligence (AI)

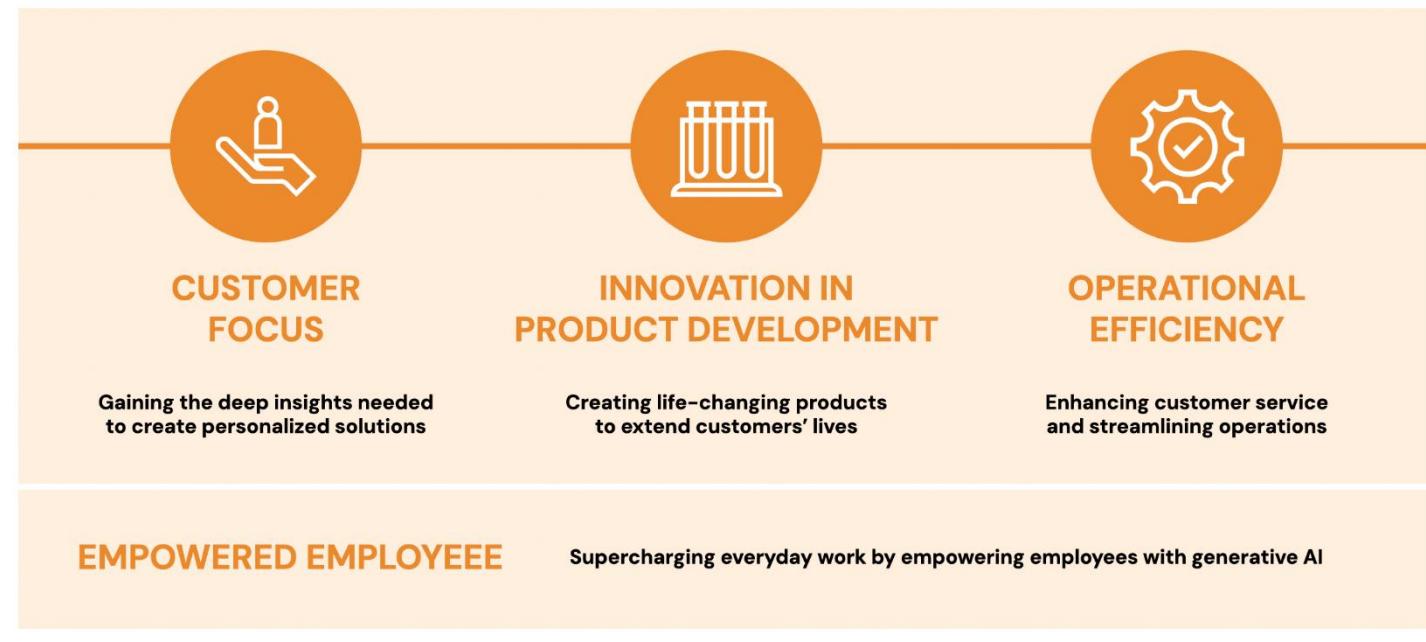
AI is pivotal to transforming how we operate, compete, and create value, enabling better decision-making and greater operational agility. We believe our scale, internal data, and talent provide an excellent foundation for AI to drive innovation and efficiency. Our strategy embeds AI into the company's priority processes –like product creation– to deliver measurable business outcomes.

However, the pace of advancement, evolving regulations, and growing ethical concerns around AI pose operational and reputational risks to our business.

## Risk identification and mitigation

We have implemented a comprehensive plan to address AI-related risks, including bias. Updated frameworks and practices strengthen accountability and ensure systems operate securely, ethically, and reliably while enabling ambitious use-case development. In response to these challenges, we are also modernizing our technology infrastructure (for agentic AI) and addressing competition for AI talent through targeted investments, in key locations.

Employee adoption remains a key change management challenge. We continue to create material supported by training, workshops and awareness initiatives to promote responsible and effective AI use. This means that as



Our four AI focus areas

employees explore the opportunities and limitations presented by AI, they will become more effective owners and users of digital solutions, which will drive increased adoption and deliver improved business value.

## Our AI focus

We envision AI supercharging our business across four key areas:

- Customer focus
- Innovation in product development
- Operational efficiency
- Empowerment of employees

## Business Unit impact

For P&B, TTH, and HNC, our AI tools helped match the most suitable product to the customer's specific requirements. AI also aided in the processes of formulation development and evidence generation for all three Business Units. P&B and TTH additionally saw benefits from AI use in ingredient discovery and customer care, while P&B was aided with inventory optimization. Finally, our company-wide AI program, 'We Are Superhumans', is already delivering benefits, and is described in further detail on the following page.



### AI-driven formula generation

Innovation in product development is central to our strategy, and the introduction of our AI-driven formula generation assistant exemplifies this commitment. By leveraging advanced algorithms, our creators are now able to generate provisional perfume and flavor formulas tailored to specific criteria, streamlining the formulation process and freeing up valuable time for the creative and strategic aspects of their work.

This initiative not only enhances productivity within our teams but also accelerates the delivery of new products to market, supporting both operational efficiency and sales growth. Finally, it underscores our focus on harnessing technology to drive value and maintaining our competitive edge.

### AI-powered sensory description

Operational excellence is reinforced by our AI-powered sensory description service, which instantly provides comprehensive and standardized sensory profiles for new formulas.

By automating what was previously a manual and time-intensive task, this service ensures consistency and accuracy in product descriptions, creating a single source of truth across the organization. The result is a more efficient workflow for creators and teams, supporting faster communication and decision-making while upholding the highest standards of quality.

### Our strategy for 2026

Looking ahead, we aim to accelerate impact and capture business value using AI through the following steps:

- **Focus and build on our learnings:** We will continue prioritizing use cases that provide value and allow us to continue to build an all-encompassing foundation. Our end-goal is to consolidate a single AI inventory to avoid fragmentation and double spend
- **Anchor our foundations:** We will continue to invest in AI enablers: data, tech, internal talent, and change management
- **Scale the 'We are Superhuman' campaign:** We will prioritize existing change management and adoption plans to move from 'experiments' to 'business as usual,' embedding a culture of innovation across the business in a responsible manner
- **Prepare for the future:** We will continue to develop our thought leadership in AI application and will accelerate building the right partnership in the AI space, ultimately reinforcing our data competences and expanding our AI strategy in a continuous manner

As this strategy matures, we aim to further embed AI across our business processes in innovative new ways, combining our existing scientific expertise with cutting-edge AI technologies to enable more robust, sustainable, and value-generating solutions. Our objective is to progress beyond combining solutions for specific individual purposes to the creation of a fully integrated process landscape that comprehensively supports our employees with their decision-making.

## Superhuman progress in 2025

In March 2025, we were proud to launch our new 'We Are Superhuman' campaign.

"We are Superhuman" is all about promoting responsible AI adoption. The goal is to help employees be faster, smarter, and more empowered at work, while also shaping a working environment where humanity is seamlessly integrated with technology. All employees now have access to Copilot Chat, a secure, enterprise-grade alternative to ChatGPT, and for advanced users we also offer Copilot Pro, which can be used as an AI assistant to boost productivity. Across the year, we saw a fantastic take-up.

