

Our Businesses

A creation partner to the world's most iconic consumer brands

Perfumery & Beauty (P&B) is powered by science-based innovations that span fragrance, ingredients, and beauty actives. We house some of the industry's finest talent, boast an unmatched palette of specialty ingredients, and are supported by a vertically integrated supply chain.

Benefiting from strong demand for our specialty ingredients and recognized innovation capabilities, we occupy a leadership position in the creation space. For more than a century, we have built an unparalleled palette of synthetic, natural, and biotech ingredients. Today, we enjoy advanced expertise in negotiating a regulatory landscape in which reformulations are becoming a powerful differentiator.

In 2025, we made full use of our organization as an integrated ecosystem, combining the capabilities of Perfumery & Ingredients, together with Beauty & Care, to navigate a challenging environment. Despite the trade conflicts that characterized the year, fragrance remains highly resilient, supported by trends that cater to our customers' evolving preferences. This potential was fully recognized in our Vision & Strategy 2029, launched in January 2025, which sets out our next five-year roadmap. This clear strategic vision, backed up by investment plus disciplined and agile implementation, ensures an uncompromising

focus on innovation, creation, and excellence, enabled by our advanced digital capabilities.

Highlights

- In 2025, we delivered 3% organic sales growth and a 21.7% Adjusted EBITDA margin
- We maintained strong growth momentum in Fragrance, winning new business with a number of global consumer brands and simultaneously stepping up our collaboration with various regional consumer brands in China, India, and Indonesia
- In Fine Fragrance, our win rate reached a historical high in prestige and niche market segments, while our creation was recognized with an unprecedented number of global awards
- Our Ingredients business enjoyed a good year, including the launch of two new molecules that deliver exceptional performance and longevity for ambery perfumes
- Beauty & Care continued its innovation journey despite challenges in suncare
- In line with our sustainability targets, we are progressing well to achieve 100% responsible sourcing of key natural ingredients by 2030. This year, we achieved 100% life cycle assessment data coverage across our portfolio.



Covering the entire perfumery and beauty market space

Key market trends

Several new challenges characterized our market in 2025, following a very strong dynamic in 2024. These included the introduction of tariffs, some destocking induced by softness in demand, transitions between different distribution channels, new competition in certain ingredient categories, and more cautious spending on the part of consumers. Nevertheless, ever-increasing consumer demand for superior and sustainable products that deliver wellbeing supported a positive long-term outlook. This is based on three key emerging trends that shaped the industry in 2025:

- **A growing appetite for perfumery:** According to our NewNextNow consumer study for 2026 and beyond, conducted in 21 countries, 70% of the population say they

appreciate scents now more than before, with 73% saying that scents bring pleasure, signaling a strong appreciation for the wellbeing-related benefits of scent

- **The growth of online commerce:** Digital tools, such as fragrance personalization and virtual beauty platforms, which make online shopping feel more personal, are also driving greater e-commerce sales and outpacing in-store growth
- **The acceleration of digitalization:** The influence of social media platforms such as TikTok, combined with a rising awareness of niche brands, is fueling demand for fragrances and has resulted in increased consumption among younger generations, particularly Gen Z

For some of the highlights of our innovation activities in 2025, see [Innovation](#) in this section.

Performance

Perfumery & Beauty delivered organic sales growth of 3%. Fine Fragrances delivered high-single digit growth, while Consumer Fragrances and Ingredients delivered mid-single digit growth. Beauty & Care was impacted by weakness in sun filters. The Middle East was strong, Asia was good, and Europe solid, with softness in North America and Latin America.

The Adjusted EBITDA margin of 21.7% represents a good performance, particularly given the impact of the sun filters. Adjusted EBITDA was stable when excluding an adverse 3% currency effect.

Key performance figures

x € million	2025	2024 ¹
Sales	3,760	3,776
Organic sales growth (in %)	3	7
Adjusted EBITDA	815	842
Adjusted EBITDA margin (in %)	21.7	22.3

¹ Restated for comparison purposes

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In 2025, we continued our transformation despite a more challenging environment. Together with our customers, we are shaping a unique winning machine powered by creation, innovation, excellence, and the unwavering commitment of our teams.”



Emmanuel Butstraen

Chief Operating Officer and Business Unit President
Perfumery & Beauty

A year of close and fruitful collaboration

Investing in ingredients

At P&B, the research and development of fragrance ingredients is our top priority. In early 2025, we launched Amberever®, a groundbreaking cedarwood fragrance ingredient that delivers exceptional performance and captures the current market trend for powerful woody notes. This innovative molecule offers a rich, ambery undertone with impressive longevity.

Following this successful launch, we introduced Amberever® Neo in November, which is a purer version obtained through crystallization to isolate the isomer responsible for its odor and strength. Produced at our La Plaine site (Switzerland), these new signature captive ingredients create meaningful differentiation and are key ingredients for our Fine Fragrance and Consumer Fragrance perfumers.

Every year, we also promote a new Sharing Innovation Collection, showcasing the diversity of our portfolio and our commitment to sustainability. For 2025, our new collection featured our breakthrough biotechnology ingredient, Firsantol®, made from upcycled turpentine; Cyclamen Base, developed to address regulatory challenges; and premium and certified Naturals, including the previously captive ingredient Coffee Peru Organic from our proprietary Firgood® technology, Olibanum Cert, and Rum SFE.

This year, we also took another significant step by strengthening the organization of our Naturals business. We created the Naturals Perfumers Council, a group of selected expert perfumers focused on strategic growth, with a brief to drive the development, promotion, and scalability of natural ingredients.

We pursued significant investments in growth projects in 2025, particularly for key specialty ingredients such as amber notes and musks in our industrial sites in India, France, and Switzerland. We also commissioned a new production unit in France, for the manufacture of hydrogenated bio-based resins for industrial applications. This state-of-the-art facility will position us as a global leader in the production of hydrogenated rosin resins and derivatives, which are used in markets such as adhesives, coatings, and chewing gum.

Perfumers at the heart of creation

Our perfumers won several awards worldwide in 2025. Two of our Fine Fragrance Master Perfumers, Alberto Morillas and Olivier Cresp, were honored at the Fundación Academia del Perfume in Spain with the "Perfume Legends" Award, in recognition of their extraordinary career achievements, their lasting contributions to perfumery, and their relentless passion for fragrance creation. Alberto Morillas also won the ISPC (International Society of Perfumer-Creators) "Prix Contribution Award" for his numerous contributions to the perfumery industry.

From award-giving organizations to top global publications, our perfumers received recognition, not only for their creations but also for their wider contributions to perfumery. Principal Perfumer, Fabrice Pellegrin, was named as one of CULTURED magazine's CULT 100. This carefully curated list celebrates individuals who are shaping our culture in real time – artists, innovators, and creative thinkers.

Principal Perfumer, Amandine Clerc-Marie, was recognized as one of the 2025 Vogue Business 100 Innovators for her contributions in reshaping beauty with bold ideas and visionary scent. She also won the Achiever Award in the Creator Category from CEW France. Last but not least, our talented Principal Perfumer, Marie Salamagne, was honored by Cosmétiquemag, a leading beauty trade publication in France, as Perfumer of the Year. The award celebrated her outstanding creativity and artistry, showcased in many remarkable launches this year.

Beauty & Care, a house of science beyond wellbeing

In Beauty & Care, our skincare business continued to develop well in 2025. ETERWELL® YOUTH, our award-winning holistic solution for healthy ageing skin, enjoyed strong wins, and we built on this success to launch ETERWELL® HAIR. Our sun filters business, by contrast, experienced a challenging year.

At the core of our mission lies wellbeing and holistic beauty, with products built on superior

in-house expertise, scientifically proven results, and deep consumer insights. ETERWELL® HAIR, a key breakthrough innovation of the year, showcased our leadership in next-generation hair care science and earned multiple awards for its pioneering approach to hair vitality. As the first ingredient clinically tested on senescent hair follicles, it opens a new pathway to support scalp balance and hair density. This innovation exemplifies our commitment to breakthrough science and sustainably sourced, high-performance ingredients.

On the skincare front, SYN-COLL® CB, our next-generation, eco-conscious, high-performance tripeptide for sustainable well-aging, was launched this year. This patented, TFA-free, natural-origin tripeptide is powered by Green Chemistry. It helps slow the skin's aging process by mimicking the skin's own mechanisms to boost collagen and protect against its degradation throughout life.

Technology and beauty worked hand in hand in 2025 through our proprietary 3D Skin-Mapping technology, which bridges the gap between scientific data and consumer language. From single-point bio-instrumental evaluation to continuous visualization of skin hydration, barrier function, skin surface pH, and sebum across diverse skin types, this innovation demonstrates product benefits in an intuitive manner, helping customers create winning solutions – as successfully showcased at key global and regional Beauty & Care events throughout the year.

Driving customer intimacy and inspiring co-creation

Showcasing excellence in customer intimacy, our immersive, multi-sensorial experiences go all over the world, reaching our clients directly, fostering customer intimacy, and promoting co-creation.

Our fragrance experience, Sensorium™, was mounted in China, Indonesia, and Thailand, giving our customers in Asia an exclusive opportunity to see, smell, and experience the future of fragrance. In March, we launched an exclusive exhibition in Paris, the House of Musks. For over 100 years, we have been at the forefront of musk innovation, mastering its transformation from a rare animal-sourced ingredient to a sustainable, renewable molecule. This moment unveiled the secrets of this iconic ingredient, celebrating its history, its paradoxes, and its perennial fascination.

In April, we showcased our full innovation power at the World Expo in Osaka, a global platform for innovation. We contributed to this event through our collaborations with both the Dutch and Swiss Pavilions – two countries in which our company is rooted. Our participation was a major milestone as we proudly presented our full cross-business portfolio, marking a major milestone in our engagement with the region and our commitment to shaping a better future through science, sustainability, and creativity.

Later in the year, we embarked on a new journey with Scent of Italy. This special event is a new cultural, emotional, and sensorial project that explores the Italian influence and signature in perfumery. We took a group of perfumers to different Italian regions to discover the unique olfactive signatures of each place through familiar places and fantastic food.

Employee Engagement

Our Business Unit achieved an impressive 87% participation rate in the company-wide Employee Engagement Survey in 2025, a full five percentage points up on P&B's participation rate last year. This positive trend reflects a culture in which we prioritize collective success, empower each other, and seek continuous improvement.

Sustainability, innovation, and partnerships

Sustainability

In 2025, we reached a major milestone: 100% of our Perfumery and Beauty & Care ingredients have a product carbon footprint available, based on Life Cycle Assessment (LCA). Every ingredient in this scope now carries a complete sustainability assessment profile. Much more than a target achieved, this comprehensive data is the foundation of our decarbonization journey.

P&B actively contributes to the Group's SBTi-validated 2045 net-zero target by embedding sustainability across its entire ingredient and fragrance portfolio. With robust data informing our decisions, we design lower-carbon solutions across three key levers: sourcing lower-impact raw materials; optimizing manufacturing operations to reduce energy use, waste, and emissions; and advancing eco-design to create lower-carbon ingredients, solutions, and fragrances.

This data foundation enables accurate Product Carbon Footprint (PCF) calculations, as well as customer portfolio assessments that support clients in measuring and reducing the carbon impact of their products.

By sharing these insights and solutions with our clients, we not only advance our own carbon-reduction targets but also contribute to lowering emissions across the broader perfumery and beauty industry.

This approach is reflected in innovations ranging from ingredients such as Amberever® Neo, whose high olfactive performance allows perfumers to use less quantity and reduce their overall footprint, to our eco-tools Imp'Act Card™, EcoIngredient Compass®, and EcoScent Compass®.

All LCA and sustainability data is digitally integrated into EcoScent Compass®, making sustainability insights instantly accessible throughout the perfumers' creative process, guiding informed decisions, from ingredient selection through final formulation.

The industry took notice in the year under review. In recognition of this work, EcoScent Compass® earned both the Beauty Matters Impact Award and the IFEAT Award in 2025, highlighting how data, innovation, and eco-design can combine to drive meaningful progress and deliver positive impact.

This progress is reinforced by our responsible sourcing commitment. Our Due Diligence framework, audited and recognized by the Fair Labor Association (FLA), keeps us on track with our 2030 roadmap. In 2025, we expanded and deepened our on-site due diligence across key P&B Naturals. We also broadened our portfolio of certifications, further strengthening transparency, collaboration, and supplier performance across the value chain.

Innovation

Powered by our science-based innovations in P&B, we make our customers' products more essential, desirable, and sustainable, positively influencing consumer preferences. Our innovations pave the way for our success, and 2025 was marked by milestones in neuroscience and malodor control.

In September, we launched emotiOn™ social connection – a first-of-its-kind fragrance innovation designed to boost social bravery and spark human connections. It blends emotional expertise, data intelligence, and behavioral science to create fragrances that help bring us closer to each other. emotiOn™ social connection has been developed as part of our emotiOn™ program, rooted in more than 30 years of neuroscientific research and co-developed with leading academic institutions.

In the area of malodor control, we leveraged cutting-edge science to develop Clearsense® for the effective neutralization of bad odors in everyday life. This innovation gives consumers an exceptional scent experience, with applications in home categories, deodorants, and oral care products. We also made advances in oral care masking technology with Truescreen™ zinc. This innovation unveils the true potential of flavors by effectively masking unwanted notes from zinc.

Partnerships

We take pride in bringing fragrance closer to consumers through collaborations with different organizations that share our passion and vision. In November, we collaborated with one of the most prestigious museums in Paris, the Petit Palais, for their exhibition on the works of Pekka Halonen (1865–1933), a major figure of the Finnish Golden Age. The exhibition featured more than 130 works and was designed as a true sensory experience. Our perfumer Daphné Bugey created bespoke fragrances and designed olfactory installations exclusively for this exhibition.

We also turned our focus to Grasse, the cradle of perfumery and the home of our creative atelier, Villa Botanica. We hosted partner events with The Colors, an ecosystem dedicated to multicultural cosmetics and perfumery, and the Value of Beauty Alliance (VOB), an organization of industry leaders that aims to spotlight the industry's positive impact on both society and the economy at the European level. For The Colors, as part of Grasse Perfume Week, it was an intimate workshop with perfumers and journalists, exchanging ideas and olfactive vision, featuring ingredients originating from Africa. For VOB, it was a video campaign highlighting our footprint and history in Grasse. The series gives insights into how experts collaborate with farmers and researchers to bring the fragrance industry's sustainable vision to life.

The Suavitel® Story: a journey to Amazing Blue

The story of Suavitel® is one of the most enduring narratives in the global household care sector. As a cornerstone brand within the portfolio of Colgate-Palmolive, a global leader in consumer products across the oral care, personal care, home care, and pet nutrition categories, Suavitel® has defined the fabric conditioner experience for generations.

The brand launched in Mexico in 1972 and has since become one of Latin America's most well-loved laundry care products. It is extremely familiar to consumers and is the benchmark for fabric conditioners. The "Mother's Love" identity sits at the very heart of its brand promise.

The evolution of this iconic brand is a testament to a commitment to people-centricity and a partnership behind fragrance that has spanned decades. While the brand maintains a leadership position with a constant drive to refine and elevate the olfactory experience, the landscape of consumer expectations is never static.

In an industry defined by shifting trends and increasing demands for performance, staying relevant requires an unwavering commitment to perceivable superiority.

Reimagining an icon

For Suavitel®, a moment of reinvention arrived through a period of intense reflection and competitive challenges. A dedicated core team recognized the need to go back to the source: the consumer. An ambitious project was launched with the goal of developing a fragrance system that would not just meet market standards but redefine them.

Rather than simply reacting to market shifts, the team sought to anticipate the emotional needs of modern families. This involved a rigorous process of creating prototypes and testing them against the high standards of the "Mother's Love" legacy. The goal was to create a brand and sensory experience that felt both reassuringly familiar and excitingly modern. Development was marked by an intense focus on how scent can act as a bridge between memory and current experience, ensuring that every capful of fabric conditioner delivered a sense of comfort and home.

The power of consumer insight

The breakthrough for what would become the "Amazing Blue" fragrance system was not found in a laboratory alone, but in the homes of the people who use the product every day. To truly understand the journey of the consumer, the team undertook a massive consumer research





initiative including in-home visits. By observing the laundry process in real time, from the initial wash through folding clothes after drying to the final act of wearing them, the team gained invaluable insights that data alone could not provide.

A global collaboration of talent

The successful revitalization of the Suavitel® fragrance was the result of a seamless partnership between global development teams. With unconditional collaboration and a disruptive mindset, team members worked hand-in-hand to elevate Suavitel® and enhance the fragrance experience.

The project relied on an extensive palette of ingredients and a deep understanding of scent psychology. By selecting specific elements that resonate on an emotional level, the team was able to boost the fresh, caring sensation that defines the brand. It was a victory for collaborative innovation, proving that when marketing, science, and creativity align, the results are decisive.

A new standard for freshness

When submitted for consumer testing, the results were clear: the new profile resonated deeply with the target audience. It managed to preserve the signature essence that consumers had loved for decades while introducing a level of performance and freshness that set a new category benchmark.

This success is confirmation that consumer understanding remains the strongest driver of success in the personal and home care industries. By placing the emotional bond between mother and child at the center of the process, the team did more than just create a pleasant scent; they reinforced a cultural icon. The Suavitel® brand continues to stand as a symbol of the enduring power of a great fragrance to create lasting connections in homes around the world.

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I'm thrilled about how we placed consumers at the heart of this creation. Three passionate groups – our Product Development Team, our Fragrance Team, and dsm-firmenich – came together with a vision to elevate the fragrance experience.”



Priscila Blanco

Fragrance Development, Home Care Colgate-Palmolive

Healthier and more delicious products that are better for People and Planet

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; and nourishing a growing world population while minimizing food loss and waste.

TTH consists of two divisions: Taste, which includes flavors, natural extracts, and taste modulation solutions for saltiness and sweetness, as well as solutions for restoring texture and mouthfeel; and Ingredients Solutions, which includes food enzymes, hydrocolloids, cultures, natural colorants, nutritional ingredients, and plant-based proteins. Our four growth platforms – plant-based, sugar reduction, pet food, and health benefits – deploy portfolios and application & creation capabilities across divisions.

By co-creating with our customers, we bring delicious, nutritious, and sustainable food and beverage solutions to market. These products are not only appealing to consumers: they are better for People and Planet than the ones they replace. Our passion for the science and emotion of food extends 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 2025, TTH delivered 4% organic sales growth and a 20.6% Adjusted EBITDA margin
- We continued to invest in our regional presence by building and expanding facilities worldwide and implementing continuous improvement initiatives. These include the inauguration of our new TTH head office and R&D and application facilities in Delft (the Netherlands), as well as our pet-only premix facility in Tonganoxie (Kansas, USA)
- Sales synergies continued to gain momentum through cross-selling, concept-selling, and capability-sharing, resulting in a steadily growing pipeline in line with our ambitions. Think of concepts to help customers reduce sugar content in preparation for impending sugar taxes or the deployment of our taste and ingredient solutions to assist with the creation of plant-based barista milk
- We accelerated our transformation process by implementing our new regionally steered operating model, all while maintaining high levels of employee engagement.
- We invested in climate actions to meet our long-term science-based targets and demand for lower-carbon food and beverage solutions



Global player, local solutions

With a global presence in all major regions and a synergistic, on-trend portfolio predicated on taste, texture, and health, we support our customers in all food and beverage markets.

We do this across beverages, dairy, baked goods, confectionery, savory, and plant-based, as well as in pet food. We work with a variety of customers, such as global accounts, distributors, regional players, private labels, food services, and start-ups.

Key market trends

Although impacted by consumer concerns regarding inflation and the economic environment, the food and beverage market is expected to continue growing at a compound annual growth rate (CAGR) of 2.1%, with the highest growth occurring in emerging economies. This diverse market is built on local tastes and traditions, with global, regional, and local players. In 2025, it was shaped by the following key trends:

- **Holistic health and well-being:** Consumers are increasingly seeking products with reduced sugar, salt, and fat, along with greater protein content, nutritional value, and health benefits. Focus on cleaner labels is increasing, while the popularity of home cooking is growing in an attempt to offset rising prices

The availability of raw materials:

Fluctuations in the pricing and availability of raw materials are obliging manufacturers to reformulate and optimize their recipes

- **Global shifts in volume growth:** In the coming five years, two-thirds of volume growth is projected to come from India, the Middle East & Africa, Asia-Pacific, and Latin America
- **Regulations:** The current regulatory focus on food safety, health, and sustainability will only increase, the latter supported by growing consumer concerns about climate
- **Rapid changes in food systems:** Manufacturers need to adapt faster and more flexibly to structural changes to food systems through food innovation

With our two divisions and the synergy between them, we possess a unique ability to co-create taste, texture and health solutions with the optimal food and beverage matrix. For some of the highlights of our innovation activities in 2025, see [Innovation](#) in this section.

Performance

Taste, Texture & Health delivered organic sales growth of 4%, supported by sales synergies, against a high prior-year comparable of 10% and more cautious customer demand in the second half of the year.

Local and regional customers generated stronger growth compared to global customers. China and India drove growth over the full year. Europe performed well, although softening in the second half. North America, APAC, and Latin America remained comparatively weaker. By segment, Beverages was soft, while Dairy including Cheese performed well, along with Bakery and Pet Food.

Adjusted EBITDA improved by 7% when excluding an adverse 3% foreign exchange effect, driven by good organic sales growth and favorable mix effects. The Adjusted EBITDA margin of 20.6% continued to improve.

Key performance figures

x € million	2025	2024 ¹
Sales	3,146	3,109
Organic sales growth (in %)	4	10
Adjusted EBITDA	648	626
Adjusted EBITDA margin (in %)	20.6	20.1

¹Restated for comparison purposes

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2025 was a strong year. We continued to grow our divisions, are on track to meet our synergy targets, and are now focusing on shaping an even more customer-centric business. I'm honored to be leading the best team I could have asked for.”



Maurizio Clementi

Business Unit President, Taste, Texture & Health

Leading a new era in taste, texture, and health

In 2025, we worked closely with customers to positively impact the daily lives of consumers around the world.

Leadership change

In September, we announced a change in leadership, effective January 1, 2026. After 34 years at the company, Patrick Niels retired and was succeeded by Maurizio Clementi. Maurizio has played a pivotal role in our performance since the 2023 merger, having successfully led TTH's Taste division.

Investments

Key investment activities in 2025 included:

- Opening our new Savory Taste Hub in Wageningen (Netherlands)
- Opening our Princeton Baking Innovation Center (New Jersey, USA) in March
- Taking another important step toward integrating texturizing solutions into our offering, increasing our ownership of the Andre Pectin business in Yantai (Shandong province, China) — one of the world's largest pectin plants — from 75% to 90.5%
- Breaking ground on a new facility for developing flavors and functional blends adjacent to our current Parma (Italy) site
- Commencing construction of a new plant in Vadodara (Gujarat, India) producing savory, sweet liquid and powder flavors
- Inaugurating the expanded seasoning plant in Thuravoor (Kerala, India)

- Inaugurating the Van Marken Food Innovation Center at the Biotech Campus in Delft (Netherlands)
- Opening our premix facility in Tonganoxie (Kansas, USA), which with our European site in Haag (Austria) forms a dual-site network dedicated exclusively to pet food
- Announcing enhancements at our Enzyme site in Seclin (France) and developments at Yixing (Jiangsu province, China)
- Making progress in Karawang (Indonesia), where we are increasing capacity and investing in the latest technologies to meet the growing demand for flavors in Asia

Merger synergies

We made significant progress toward achieving €300 million in synergy sales through cross-selling, concept selling, and joint capability-sharing. Our teams created new joint concepts and launched several new products across multiple platforms. For example:

- We helped a renowned Indonesian beverage brand reduce their product's sugar content to meet their own nutritional standards and prepare for an impending sugar tax
- To help our customers respond to growing consumer demand for non- or low-alcoholic beverages, we introduced new no- and low-alcohol beer solutions to the market
- Our broad range of taste and ingredient solutions helped plant-based barista milk producers create their desired formula

Fine-tuning our organization

In January, we introduced integrated regional steering. Led by newly appointed TTH regional heads, this initiative helps implement our division strategies in each region, making use of our combined capabilities and workforce. Following the announcement of the planned separation of the Animal Nutrition & Health business, we welcomed colleagues from Bovaer®. In 2025, we also finalized the integration of First Choice Ingredients. Acquired in 2021, First Choice Ingredients is a leading supplier of cheese and dairy flavor solutions.

Growing our talent

We are pleased that 80% of TTH employees reported high engagement via our Employee Engagement Survey. This reflects our continued investment in talent, including through the TTH Academy, and our dedication to maintaining open and informal dialogue with employees. Our target is now to prioritize our own employees for each career opportunity.

We are on track to fill 75% of positions with internal applicants, and in 2025, key appointments were taken up by Karel Stoscheck (Head of Taste), Rishabh Pande (Head of Pet Food), Karl Witton (Head of TTH North America), and Sanjay Jain (Head of Bovaer®).

Production

We saw increased demand in 2025, thanks to our portfolio of food and beverage solutions, strong customer interest in synergies, and new concepts. We improved our production facilities, trained our workforce, and made targeted investments, resulting in production records at most sites, while also improving our safety and quality performance. Our award-winning digital and automation strategy enabled efficiency and productivity gains focused on waste reduction, our commitment to quality strengthened key indicators in sensory properties and food safety, and we improved the end-to-end quality assurance of raw materials in collaboration with our suppliers. On June 10, our Zhangjiagang site (Jiangsu province, China) reached an extraordinary safety milestone. It achieved 3,000 consecutive days without a single recordable incident, representing over eight years of unwavering dedication to safety.

Staying ahead of trends

Our global Foresight & Design team helps our customers to stay at the forefront of sensory trends. In 2021, we formed an exclusive alliance with Pantone, the authority on color, becoming their official flavor and fragrance partner. Complimenting Pantone's Color of the Year for 2025, we announced our Flavor of the Year, 'Frosted Star Anise', capturing a global desire for the combination of warmth and freshness.

Sustainability, innovation, and partnerships

Sustainability

At TTH, we help customers transform diets to be better for People and Planet by delivering solutions that reduce environmental footprints, enable delicious and healthier choices, and strengthen traceability and responsible sourcing. In 2025, we continued to prioritize climate action to advance our company's Science Based Targets (SBTi) and respond to growing customer demand for lower-carbon food and beverage solutions. Progress is driven through improvements in operations, strengthened responsible sourcing practices, and innovation across our portfolio.

Investments in our manufacturing footprint, including transitions toward renewable fuel and heat at our hydrocolloids site in Yantai, support ongoing reductions in greenhouse gas emissions. Product innovations such as CocoaCraze™ deliver the full cocoa taste experience with significantly lower cocoa content, helping customers reduce environmental impacts and manage exposure to volatile cocoa supply chains while maintaining sensory quality.

We also reinforced transparency through environmental impact assessments across our portfolio. Life Cycle Assessment (LCA) is applied across TTH to assess the impact of our portfolio. This includes expanded use of EcoFood Compass®, our proprietary tool for measuring environmental and social impacts, and detailed LCA insights for plant-based

protein solutions such as Vestkorn, enabling customers to quantify impacts and make more informed formulation choices. Responsible sourcing remains a central pillar of our sustainability strategy. We further strengthened our 2030 due diligence roadmap to support responsible supply chains and the long-term viability of priority value chains.

Our progress and partnerships were also recognized externally. In 2025, we received the THIS™ Supplier Award for Sustainability Star of the Year, recognizing innovative logistics solutions delivering measurable carbon-reduction impact. In parallel, customer-specific decarbonization roadmaps, developed in close collaboration, continue to be valued by customers as an important element of our offering, supporting them in reducing the environmental impact of their portfolios and progressing toward shared sustainability objectives.

Innovation

The development of new food and beverage solutions is increasingly dependent on the effective use of advanced digital technologies. As we respond to this transformational trend, we have worked on a number of innovations. For example, we have digitized our recipe management and formulation processes to augment our creators in helping our customers innovate faster, reduce their time-to-market, and improve compliance and responsiveness to market trends.

Our studies show that taste remains the main factor influencing consumers' decisions to purchase food and beverages. By understanding exactly how molecules interact with taste and smell receptors, our scientists can now better identify ingredients, including those derived from natural resources, which can enhance, modify, or even block certain signals.

We are learning to fine-tune how taste is perceived, discovering new ways to make healthier foods taste amazing. A good example of a sustainable innovation is the launch of our award-winning Maxiren® EVO, a next-generation cheese coagulant that helps cheesemakers improve the sustainability of their processes while meeting consumer expectations regarding consistent taste and texture.

Partnerships

In 2025, we continued to make great progress with our partners. One notable development saw us signing a Memorandum of Strategic Cooperation with the Yantai China Pet Foods Group, combining our strengths in science and technology to expand our business in China and drive growth. By combining our expertise in nutrition with Yantai's extensive production capabilities and well-known brands, the partnership aims to drive science-based innovation, share successful practices, and expand market reach.

Another research partnership was with two world-renowned research institutions, APC Microbiome Ireland and INRAE. Together, we discovered how bacteria used in cheese and yogurt production defend themselves against bacteriophages – viruses that infect, and reproduce themselves within, bacteria. Phages, as they are known colloquially, can disrupt fermentation, resulting in costly production issues. This discovery paves the way for the development of more resilient cultures to help producers consistently deliver high-quality dairy products.

Joint ventures

EverSweet® stevia sweetener, an innovative product from our joint venture Avansya, received approval in the EU and UK in 2025, making advanced zero-calorie sweetness with a rounded flavor profile available to even more consumers. Created through advanced fermentation methods, the carbon footprint of EverSweet® is 49% lower than the equivalent amount of Stevia Reb A, offering the same sweetness.

High protein, low sugar: seriously good taste

Today's consumers expect dairy products to deliver on all counts, combining health benefits with superior sensory experience. Checking those boxes is a major innovation and formulation challenge. In 2025, however, thanks to synergies across TTH, we have helped our customers innovate in this key strategic category.

A world of healthy opportunities

Dairy products have enduring popularity, with market insights consistently highlighting the importance of holistic health among dairy consumers: 54% of global consumers, for instance, look for healthy ingredients in the dairy products they buy.

In practice, this means choosing dairy with clear health advantages, such as high protein, reduced sugar, or added nutrients. Market forecasts confirm this trend, predicting high-protein and low-sugar ranges to grow between 6% and 7% annually up to 2035.

While consumers' appetite for healthy products is undeniable, it's also clear they will not compromise on taste: 72% said that taste is the most important factor in their choice of food and drink.

As manufacturers look to balance these overlapping priorities, they also face competition that intensifies the need for product differentiation. At the same time, producers must comply with evolving regulatory requirements: these include taxes on sugar-sweetened beverages in more than 100 countries, with discussions underway to extend these policies to sugary dairy drinks, as well as growing demands for clean-labelling and natural ingredients.

For producers who can address these interlocking challenges at speed, significant commercial rewards await. Yogurt production today is an intricate science, with complex ingredients and process interactions impacting the taste and texture profile. Increasing protein levels and reducing sugar in yogurt formulations can be particularly challenging, as this can have a significant effect on sensory properties. At dsm-firmenich, we have the capabilities to solve this formulation puzzle.

Innovating in the overlap

Our scientific knowledge and application expertise allow us to work across the dairy value chain, with a clear understanding of how milk composition, ingredients, and processing steps interact to shape the final quality of yogurt.





In 2025, for example, we continued enhancing the combination range of ingredients that impact taste, quality, and sustainability of sweetness and texture in high-protein yogurt.

These include our Maxilact® enzymes, which reduce sugar levels by up to 20%; Delvo®ONE bioprotective cultures, which, as well as delivering optimal taste and texture, extend shelf life and accelerate progress on sustainable food systems; and our TASTEGEM® technology for amplifying natural sweetness – all delivered alongside our advanced peptide formulations containing all 20 amino acids in an easily absorbable format. Uniting the art of taste with the science of health and texture, our teams found new ways to address consumers' overlapping health and sensory expectations.

The fruits of collaboration

Much of this progress has been made possible by the continued integration of taste and ingredients capabilities across TTH. These ongoing synergies ensure that we can support the fresh dairy industry more deeply than any other industry player, strengthening our position as a reliable, end-to-end partner.

“

As yogurt producers face changing consumer demands, they need a partner who can address overlapping priorities. 2025 saw our teams embrace that challenge, uniting health and delight for dairy brands worldwide.”



Sarita Bairoliya

Senior Director, Fresh Dairy and Alternatives TTH

Elevating health at every life stage

Health, Nutrition & Care (HNC) helps people improve their health by supplementing their diet with critical nutrients. Working across segments such as Early Life Nutrition, Dietary Supplements, Pharma, Medical Nutrition, Biomedical materials, and Nutrition Improvement, we help to optimize immunity, accelerate recovery, and enhance quality of life.

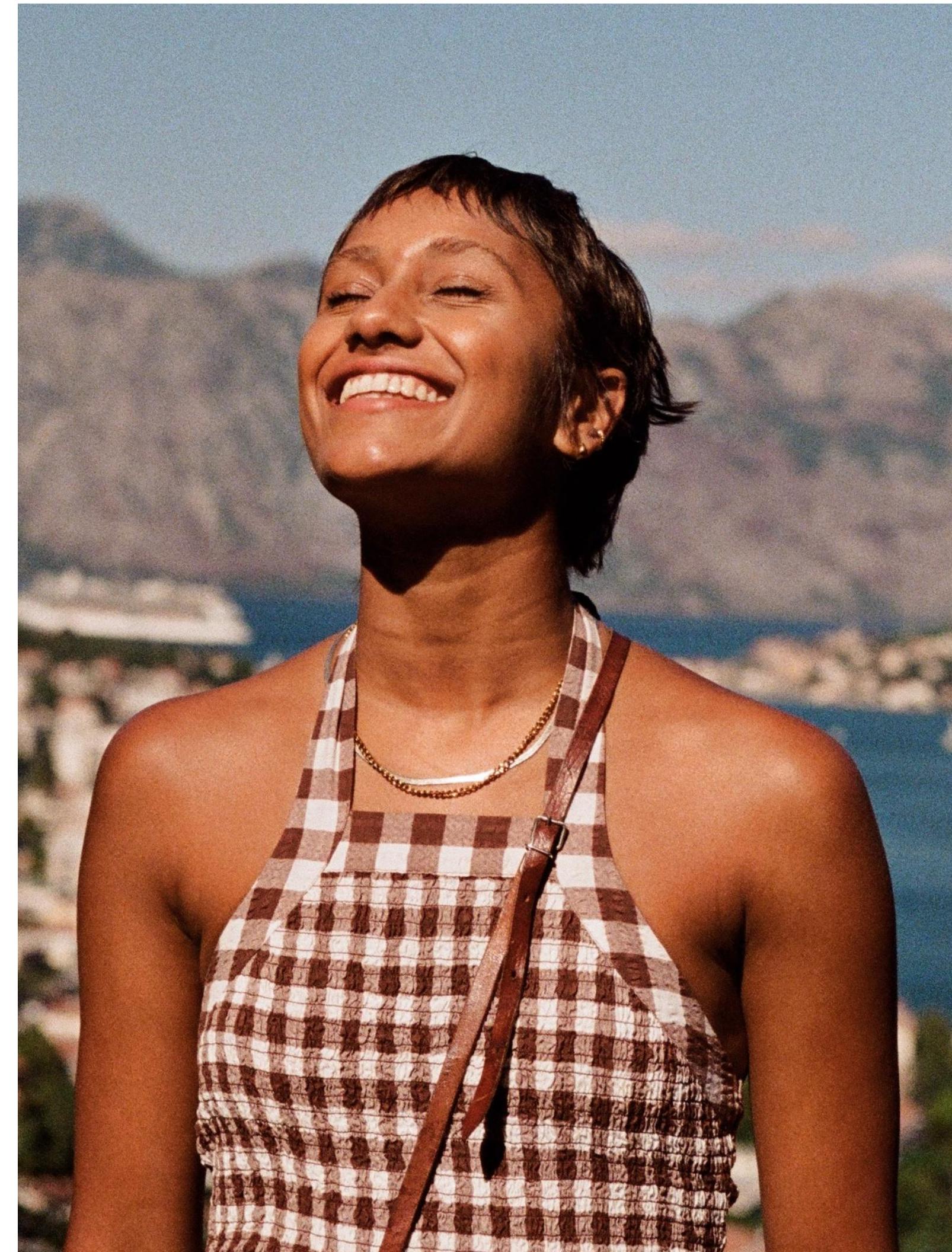
At HNC, we recognize that creating a healthier world requires more than high-quality ingredients. That is why we aim to elevate global patient and consumer health at every stage of life. This commitment drives us to support our customers throughout the entire product development journey, serving as a true end-to-end partner. Our innovative product portfolio, coupled with customized solution offerings and expert service, provides unparalleled support from concept to consumer. These integrated capabilities ensure the right products, backed by the right expertise, giving our customers the strongest opportunity for success.

As we expand beyond ingredients, we are delivering evidence-based nutritional solutions enhanced by cutting-edge sensory science to help our customers develop products that resonate more deeply with consumers. Think of healthy longevity solutions that extend health span alongside lifespan. Or staying ahead of the competition and closer to consumers with science-backed, great-tasting solutions for gut health, maternal health, and pharmaceutical

applications, all designed to perform while advancing sustainability for People and Planet with measurable impact. This is how we continue to evolve: by providing more effective solutions that meet the ever-changing needs of patients and consumers worldwide.

Highlights

- In 2025, HNC delivered 3% organic sales growth and an 19.4% Adjusted EBITDA margin
- We grew our HMO portfolio and drove synergistic symbiotic solutions for Early Life Nutrition with new regulatory approvals in key global markets
- We accelerated the strategic transformation of our algal-based Omega-3 portfolio, helping customers shift to our highly sustainable algal *life's®OMEGA*
- We expanded our leadership in health from the gut with new launches in prebiotics, probiotics, and postbiotics
- We strengthened our leadership in nutrition with several industry approvals and strategic launches, addressing key global consumer trends and needs with innovative solutions
- We made significant progress in Biomedical strategy, innovation, and global expansion
- i-Health drove growth in key accounts and brands, addressing frequently overlooked health issues, and took steps to strengthen its market position in 2026



A diverse range of solutions for a diverse range of markets

HNC offers solutions for a range of markets, drawing on an exceptional portfolio comprising high-quality vitamins, nutritional lipids, minerals, carotenoids, botanical nutraceuticals, digestive enzymes, postbiotics, probiotics, and prebiotics, as well as human milk oligosaccharides (HMOs), active pharmaceutical ingredients (APIs), and a range of biomedical solutions.

We address wellness and nutritional needs with our direct-to-consumer i-Health business and also serve the nutrition improvement sector, providing accessible and affordable nutrition fortification solutions for some of the world's most vulnerable populations.

Key market trends

- **Healthy longevity:** People increasingly seek healthy aging not just to live longer, but to live better — aiming to extend health span alongside lifespan
- **Preventative self-care:** Advances in science and diagnostic medicine, as well as in monitoring devices, have boosted awareness of proactive health, early intervention, and self-care, including gut health, mental health, immunity, and overall well-being
- **Sustainable and evidence-based solutions:** The rise of self-education and demand for science-backed solutions is fueling transparency and democratization in supplements
- **Disruptive new players:** Upstart brands, particularly in dietary supplements, are reshaping the market and growing rapidly

For some of the highlights of our innovation activities in 2025, see [Innovation](#) in this section.

Performance

Health, Nutrition & Care continued its recovery, delivering 3% organic sales growth, driven by Early Life Nutrition and Dietary Supplements. i-Health was soft owing to more cautious consumer sentiment in North America.

APAC and China were strong and EMEA and Latin America performed well, whereas North America was soft.

Adjusted EBITDA was up 14% when adjusted for an adverse 6% currency effect. The Adjusted EBITDA margin delivered a 160bps step-up to 19.4%, driven by good organic growth.

Key performance figures

x € million	2025	2024 ¹
Sales	2,102	2,117
Organic sales growth (in %)	3	-
Adjusted EBITDA	407	377
Adjusted EBITDA margin (in %)	19.4	17.8

¹ Restated for comparison purposes

In 2025, HNC delivered growth, advanced priority innovations, secured key regulatory approvals in strategic markets, and strengthened its platform to accelerate execution and value creation in preventative health and nutrition solutions.”



Alessandre Keller

Business Unit President
Health, Nutrition & Care

Accelerating progress through portfolio innovation and market expansion

Expanding our HMO portfolio and reach

We achieved a significant milestone with the regulatory approval of our GLYCARE® Human Milk Oligosaccharides (HMO) portfolio in China, becoming the first company to obtain approval for 2'-Fucosyllactose (2'-FL) and Lacto-N-neotetraose (LNnT). This achievement strengthens our leadership in the global HMO market and represents a crucial step in shaping the future of infant nutrition in China. By expanding access to our science-based solutions, we are helping more babies benefit from the proven advantages of HMOs, supporting healthier growth and development.

Building on our global regulatory progress, we secured a major milestone with the approval of our GLYCARE® 2'-FL as a functional ingredient for early life nutrition in India, marking our first HMO approval in this important market. Granted by the Food Safety and Standards Authority of India, this approval allows the use of 2'-FL in infant formula for babies up to six months old, helping bring formulations closer to the composition of human milk, giving the best start in life to all infants.

Leading the algal shift

We continued to grow our *life's*®OMEGA business, HNC's advanced microalgal omega-3, which maximizes natural potency and exceptional quality without impacting marine ecosystems. In 2025, we launched several new products tailored to individual customer

requirements, driving the shift from fish oil to our proprietary algal alternative. A leading US retailer's new dietary supplement launch featuring *life's*®OMEGA is making it more accessible to consumers in the world's largest dietary supplements market. This ongoing effort has driven consistent growth over the years, with solid double digits in 2025.

Additionally, the latest DO-HEALTH findings establish *life's*®OMEGA in combination with Quali®-D as validated anti-aging interventions rather than just general wellness supplements. The research validates HNC's Age Slower concept, which combines *life's*®OMEGA with Quali®-D for clinically proven healthy longevity benefits.

Improving health from the gut

We are helping customers meet growing consumer demand for gut health solutions with our Humiome® portfolio, supporting health from the gut with a range of powerful concepts based on prebiotics, probiotics, and postbiotics. The pipeline increased significantly in 2025, with interest across all regions, and a major health supplements provider in China launched a multi-ingredient product containing Humiome® Post LB – a major win in the biotics category for dsm-firmenich.

Our go-to-market transformation

Sustaining market leadership across HNC segments requires more than superior

solutions: it demands a modern, agile, and integrated go-to-market model grounded in solution selling – leveraging our hero ingredients toolbox, creation, and application capabilities and customer proximity. To advance this transformation, we are strengthening team capabilities, modernizing processes, and enhancing our digital tools. We did so in 2025 by:

- Rolling out enterprise-wide solution-selling training to ensure a consistent, scalable approach
- Refining roles and responsibilities across commercial functions to improve efficiency and alignment
- Reallocating resources to prioritize growth areas to focus investment where it has the greatest impact
- Investing in AI-enabled digital tools to enhance insights, solution development, and performance management

Driving progress across our segments

Within our Dietary Supplements business, we achieved the second EU Commission approval of ampli-D®. This efficient vitamin D form is now authorized for marketing and distribution across all EU member states, unlocking exciting growth and innovation opportunities within the food supplement market. Meanwhile, we drove our healthy longevity platform, focused on increasing health expectancy by targeting aging at a cellular level to increase years spent in good health.

In Pharma Solutions, we launched a novel portfolio of taste modulation and flavor solutions specifically designed for use in pharmaceutical formulations, including infants. Leveraging our HNC Taste and Regulatory expertise, we carefully curated this portfolio for drug developers to improve palatability and accelerate the route to market. Each product includes comprehensive quality and regulatory documentation to facilitate the complex drug approval process. In March, we launched Verilege™, a suite of expert services and superior customer care. Verilege™ is designed to help customers achieve and uphold regulatory and quality compliance, progress toward sustainability goals, and de-risk the supply chain geographically.

Medical nutrition products help people maintain health and quality of life; but formats like oral nutritional supplements often face adherence challenges that may reduce their impact. In 2025, we introduced Mix-in protein granules powered by Sprinkle-it Technology™ (SIT™), a novel format providing high-density protein in a flexible, compact format with a neutral taste. This new solution addresses limitations of traditional powder formats and helps increase protein intake and enhance dietary compliance, with the aim of optimizing health outcomes.

In Nutrition Improvement, we develop solutions to combat micronutrient deficiencies. One of our key initiatives for 2025 was in Nigeria. Through Partners for Promoting Rice



Fortification in Nigeria (P4P), we are part of a multi-stakeholder effort to scale rice fortification nationwide. This includes providing industry insights, strengthening local production of fortified rice kernels, and providing technical assistance to millers to ensure quality and sustainability.

Transforming Biomedical for the future

2025 was a transformative year for Biomedical, marked by clear priorities, strengthened execution discipline, and meaningful progress across strategy, innovation, and global expansion.

We focused on stabilizing our operations—reinforcing leadership continuity, tightening quality and compliance, and embedding updated systems and processes. This operational foundation strengthens our ability to deliver consistent, reliable results.

We launched four empowered business segments, enabling greater accountability, faster decision-making, and sharper alignment with customer needs on a global basis.

Innovation accelerated with next-generation Ulteeva Purity™ developments, including expanded fiber color options and the launch of Ulteeva Purity™ Membrane—a PFAS-free UHMWPE alternative for implantable vascular applications, catheter liners, and medical filters. These efforts directly supported our ambition to bring differentiated, high-value solutions to market more rapidly.

We strengthened our global leadership in natural materials with first customer launches in India and Korea for regenerative medicine applications. Our new customer experience

center in China, equipped with advanced digital capabilities, enhanced engagement and presence across China and Asia. In parallel, long-term commercial partnerships in our business segments supported the global growth of Biomedical's differentiated products, technologies and services, reinforcing supply security and future scalability for our partners.

Investments in manufacturing

HNC manufacturing sites undertook investments to assure asset reliability and license to operate, with special focus on our site in Dalry (Scotland).

Our Premix organization continued to drive its global initiative to harmonize Quality Control processes by introducing a modern, validated Laboratory Information Management System (LIMS) platform to ensure business continuity and enable digital transformation in Quality Control and Quality Assurance. Additionally, by means of a large capital investment initiative at our facility in Schenectady (New York, USA), we are enhancing operational performance and site capacity through infrastructure upgrades and process & systems optimizations.

Our Biomedical division is making substantial investments to enhance manufacturing capacity, supporting the growth of its diverse business portfolio, including the development of a state-of-the-art facility in Wayne (Pennsylvania, USA).

i-Health positions for the future

i-Health had a softer performance in 2025. Nevertheless, *Culturelle*®, *AZO*®, and *Estroven*® remain the brands with the highest market penetration. The Amazon business continued

to grow across brands, and *AZO*® delivered gains nationally, supported by new creative direction, media, and innovation, including new menopause solutions for a range of symptoms and expansion of the D-Mannose urinary health ingredient in a new hydrating drink mix format. In our global markets, *Culturelle*® delivered profitable growth in Canada, South Korea, Brazil, and Turkey, driven by the recommendations of healthcare professionals.

Entering 2026 under new leadership, the business is sharply focused on growing our core brands, maintaining consistent full-funnel investment, and leveraging its exciting innovation capabilities across a portfolio that combines unique science-backed formulations with delicious and fun format experiences including mini chews, gummies, fast melts, and hydration drink mixes.

Strengthening talent and engagement

We made improvements in nearly every area this year in the Employee Engagement Survey (EES). A strong 78% of HNC respondents reported feeling highly engaged, a +3 percentage point (p.p.) increase over last year. Other HNC EES advances included the important areas of trust (+6 p.p.), information (+5 p.p.), and inclusion (+7 p.p.). This reflects our efforts and investment in employee talent and development, as well as the impact of our ongoing dialogue and information sessions.

In addition to announcing Alessandre Keller as our new Business Unit President, we also strengthened our leadership through several strategic appointments, including those of Rekha Rao (Head of i-Health), Andrey Khabakhpashev (Head of North America), and Lisanne Verhagen (SVP, HR).

Sustainability, innovation, and partnerships

Sustainability

Sustainability is at the core of HNC's growth strategy, serving our purpose, *Together elevating health*. In 2025, we deepened partnerships across the value chain to accelerate progress on Scope 3 and broader impact areas. We collaborate closely with our suppliers to drive key sustainability levers, such as transitioning to renewable energy and implementing sustainable agricultural practices.

Our core ingredients portfolio is supported by the Sustainability Imp'Act Card™, a tool that provides transparent, science-based metrics on the environmental footprint of our products at ingredient level. It also includes data on traceability, certifications, and social impact, enabling customers to steer their portfolios toward sustainable outcomes. Formally integrating sustainability into letters of intent and agreements reinforces the role of sustainability as a business driver, while joint carbon reduction journeys — such as Product Carbon Footprint analysis — deliver measurable results.

Highlights this year include industry-recognized initiatives in decarbonization. A flagship example, featured in [WBCSD Business Action Bank](#), showcases our low-carbon vitamin C solution with a verified 49% lower footprint versus mainstream alternatives, achieved through renewable energy and process optimization, and measured through life cycle assessment. This earned us Bayer's 2025

Procurement Supplier Decarbonization Excellence Award, celebrating transformative practices at our Dalry (UK) site and our role in "setting benchmarks in the industry." This is described in further detail in our [story](#).

We are also addressing evolving stakeholder expectations on sustainability topics such as waste management and circularity, with our Dalry site revalorizing most of the process waste into fertilizers or for land restoration. Internally, regional sustainability trainings strengthened frontline capabilities, embedding a culture of accountability, innovation, and measurable impact. And our GMP Food laboratory in Kaiseraugst (Switzerland) has achieved the My Green Lab Platinum certification, the highest global standard for sustainable laboratory practices, reinforcing our leadership in environmental responsibility and innovation.

Innovation

We advanced our leadership in strategic health innovation areas linked to key consumer trends and needs. We expanded our health from the gut solutions with multiple new Humiome® concepts comprising prebiotics, probiotics, and postbiotics. In 2025, we continued to accelerate the strategic shift from fish oil to our proprietary, sustainable algal-based omega-3s through the continued growth of the *life's®OMEGA* portfolio. We also obtained new regulatory approvals, notably in China, for our GLYCARE® HMO portfolio.

Key product launches in 2025 included:

- *life's®OMEGA O2722*: in China: our single-source algal omega-3 has the same EPA-to-DHA ratio naturally found in standard fish oil, but with twice the potency. It was launched after meeting stringent Chinese regulations (see [Leading the algal shift](#) above in this chapter)
- *Humiome® post LB*: The world's most clinically proven postbiotic was launched in an allergen-free form, allowing its incorporation in tending formats like gummies
- *Our pharma taste portfolio*: With 14 distinct flavor tonalities and optimized formulas to limit number of ingredients, this portfolio is designed to streamline the regulatory approval process and overcome flavor challenges from infants to adults

Biomedical certified the entire Ulteeva Purity™ portfolio as bio-based and introduced new vibrant colors to provide contrast to white high-strength orthopedic sutures that simplify complex arthroscopic procedures.

Partnerships

HNC is committed to addressing major global challenges in human health and nutrition, recognizing that meaningful progress requires strong partnerships built on a shared mission. Through continuing collaborations with organizations such as the Gates Foundation and the World Food Programme, we are helping to combat hunger and malnutrition among the world's most vulnerable populations, including children and pregnant women.

In 2025, these efforts contributed to expanding access to essential micronutrients for millions of people through cost-effective, large-scale food fortification. By incorporating high-quality, affordable nutrients into widely consumed staple foods, we are helping to tackle malnutrition at its root and driving measurable improvements in health outcomes worldwide. See [Sustainability performance](#) and [Sustainability Statements](#) for more information.

Transforming industries through sustainable vitamin C differentiation

In November 2025, HNC was selected from 20 external nominees as the winner of Bayer's 2025 Procurement Supplier Decarbonization Excellence Award for our low-carbon vitamin C production at our manufacturing site in Dalry (Scotland).

The award recognizes dsm-firmenich as a supplier setting industry benchmarks by delivering measurable carbon reductions while meeting the highest standards of quality, reliability, and regulatory compliance. The World Business Council for Sustainable Excellence (WBCSD) acted as a key member of the jury, and this recognition led to the publication of a [case study](#) in the WBCSD Action Bank. Bayer is one of HNC's most important global key accounts, and this recognition is a powerful example of how our sustainability leadership serves as a key differentiator, creating clear impact, driving business value, and strengthening our customer partnerships.

A priority for Net Zero 2045

The production of vitamin C, a critical health ingredient, is concentrated in coal-powered facilities in China. It is consequently one of the most carbon-intensive ingredients in the nutrition sector. This dependency contributes significantly to global Scope 3 emissions for downstream consumer health and pharmaceutical producers.

More than 85% of global vitamin C volumes are sold into human nutrition, where leading companies such as Bayer are increasingly prioritizing sustainability while continuing to demand the highest levels of quality and regulatory assurances. Recognizing this need as the only vitamin C producer in the Western world, with all other global capacity based in China, HNC designated vitamin C as a priority under our Net Zero 2045 roadmap.

A holistic approach to sustainability

Our Dalry facility in Scotland has 70 years of vitamin C manufacturing experience, an excellent record of long-term regulatory compliance, and secure, traceable, resilient, and end-to-end supply chains. In 2025, we leveraged these unique strategic advantages to pilot a new low-carbon production model at the site.

The initiative involved a holistic approach to sustainability, integrating energy, materials, and waste management into core operations. It achieved the same high-purity, pharmaceutical-grade vitamin C with a substantially lower carbon footprint and improved supply chain resilience, supporting Bayer's ambitious decarbonization goals.





Pioneering industry transformation

The Dalry vitamin C initiative is a pioneering industry transformation made possible by a combination of targeted investment, the adoption of clean energy, and wide-ranging process innovation. Our approach integrates multiple decarbonization levers:

- Highly efficient energy generation through a cogeneration plant utilizing 100% purchased renewable electricity, with an additional energy-greening project planned to further reduce Scope 1 emissions
- More than 90% waste reutilization, minimizing landfill
- The use of sustainable raw materials, including GMO-free wheat sourced from Germany and pure Scottish water

Confirmation via LCA

A third-party verified Life Cycle Assessment (LCA) confirms that Dalry's vitamin C achieved a 49% lower carbon footprint compared with mainstream alternatives, without compromising pharmaceutical-grade quality or regulatory

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Through their innovative low-carbon vitamin C, produced via a process that combines clean energy and process innovation, dsm-firmenich is empowering Bayer to lead industry transformation and tackle the challenges of carbon-intensive production.”



Malik Akhtar

Chief Procurement Officer, Bayer Consumer Health

compliance. This performance data is transparently communicated through HNC's Sustainability Imp'Act Card™, designed to support informed purchasing decisions and strengthen long-term customer relationships.

The power of partnership

Our decarbonization efforts at Dalry demonstrate the power of partnership to create a healthier and more sustainable future, especially in partnership with companies like Bayer, which are helping to lead the way.

Bayer benefits from a significant reduction in Scope 3 emissions through the adoption of low-carbon, pharmaceutical-grade vitamin C, while strengthening market differentiation and securing a reliable supply of consistently high-quality vitamin C that meets the most stringent pharmaceutical standards.

Divestment of Animal Nutrition & Health

Our Animal Nutrition & Health (ANH) Business Unit is a global innovation leader. It helps customers deliver healthy animal protein efficiently and sustainably while harnessing the power of data to make animal farming practices more sustainable, productive, and transparent.

In February 2024, we announced our intention to separate this business from the company, having concluded that its full potential could best be realized under a different ownership structure. In line with our new strategy, we repositioned the company, with its remaining three Business Units – Perfumery & Beauty, Taste, Texture & Health, and Health, Nutrition & Care – to focus exclusively on nutrition, health, and beauty.

ANH is a global provider of science-based animal nutrition and health solutions. The business offers products ranging from vitamins and premixes to feed additives that improve animal health, performance, feed efficiency, and sustainability across livestock production. Its solutions help producers deliver high-quality animal protein while reducing environmental impact.

The total ANH business represented approximately €3.5 billion of dsm-firmenich's annual net sales and around €0.5 billion of the company's total Adjusted EBITDA in 2025.

The divestment

Following the announcement, the divestment of our world-leading Animal Nutrition & Health business occurred in two stages.

- **In the first stage**, completed on June 2, 2025, we sold our 50% stake in the Feed Enzymes Alliance to our partner Novonesis, a global leader in biosolutions, for €1.5 billion, receiving approximately €1.4 billion net in cash, after transaction costs
- **In the second stage**, announced on February 9, 2026, we agreed to sell our remaining ANH business to CVC Capital Partners for an enterprise value of about €2.2 billion. This includes an earnout of up to €500 million.

For ANH, this marks the beginning of a new chapter.

ANH will be split into two new standalone companies, both based in Kaiseraugst, Switzerland: the "Solutions Company," including Performance Solutions, Premix, and Precision Services, and the "Essential Products Company," including Vitamins, Carotenoids and Aroma Ingredients (jointly referred to as the "ANH Companies").

These companies will continue to work closely together, especially with regard to the vitamin supply in the animal nutrition and health value chain.

dsm-firmenich will retain a 20% equity stake in each of the divested ANH Companies, in partnership with CVC, who will own the remaining 80%.

dsm-firmenich will also enter into a long-term vitamins supply agreement with the Essential Products Company to ensure continuity and supply security for human and pet food applications.

The transaction is expected to be completed at the end of 2026 and is subject to conditions including regulatory approvals, the finalization of all required employee consultation processes, and the creation and separation of a standalone Essential Products Company and standalone Solutions Company by dsm-firmenich.

We transferred our Bovaer® business to our Taste, Texture & Health Business Unit. Our Veramaris® business, the 50/50 joint-venture for algae-based Omega-3, is transferred into our Health, Nutrition & Care Business Unit.

Corporate activities

Any consolidated activities within our continuing operations that are outside the four Business Units are reported as corporate activities.

Corporate activities include various holding companies 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 a captive insurance company. In 2025, the total retained damages were €29 million (2024: €29 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.

Our performance

x € million	2025	2024
Sales	26	52
Adjusted EBITDA	(98)	(94)