

Our Company



About dsm-firmenich

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

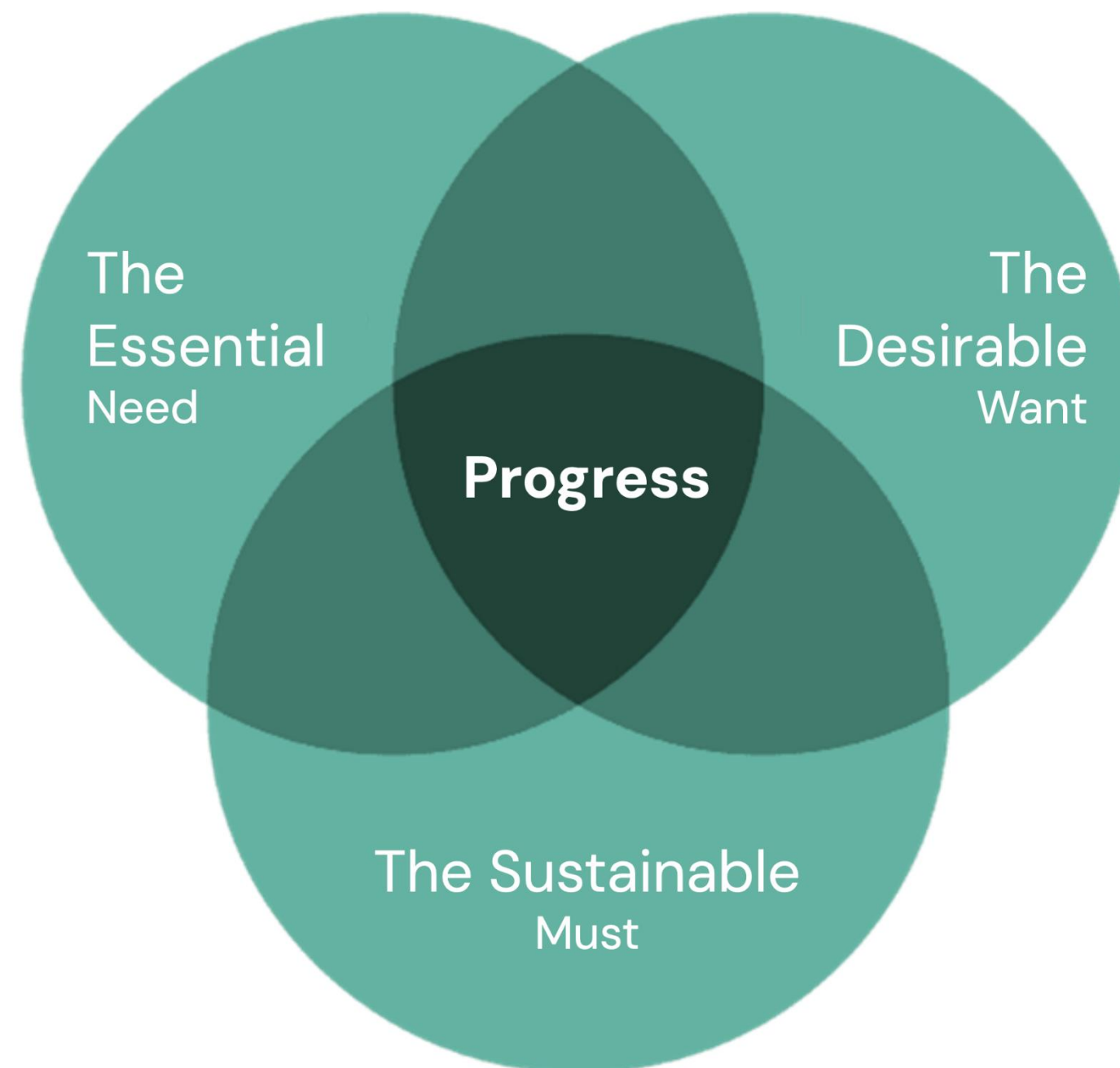
With a diverse, global team of nearly 30,000 employees, we *bring progress to life*, day-in, day-out with our customers, for billions of people all over the world. As innovators in nutrition, health, and beauty, we also use our renowned science and technology capabilities to develop and produce a broad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

Bringing progress to life

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

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

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



Our history

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

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

From state mining to sustainable living

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

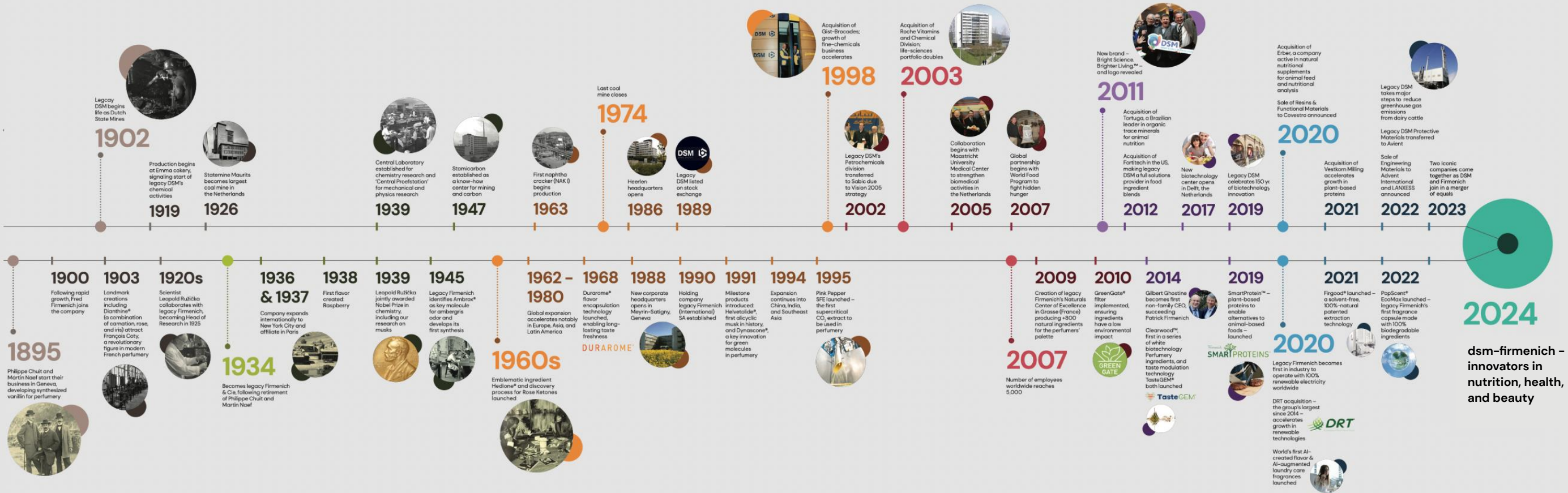
Along the way, DSM worked with a range of partners to deliver innovative solutions that nourish, protect, and improve performance. It also pioneered a range of sustainability efforts, and published its first Triple P (People, Planet, Profit) report in 2008.

From start-up to global house of creators

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

Trading as Firmenich & Cie, the firm expanded,

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

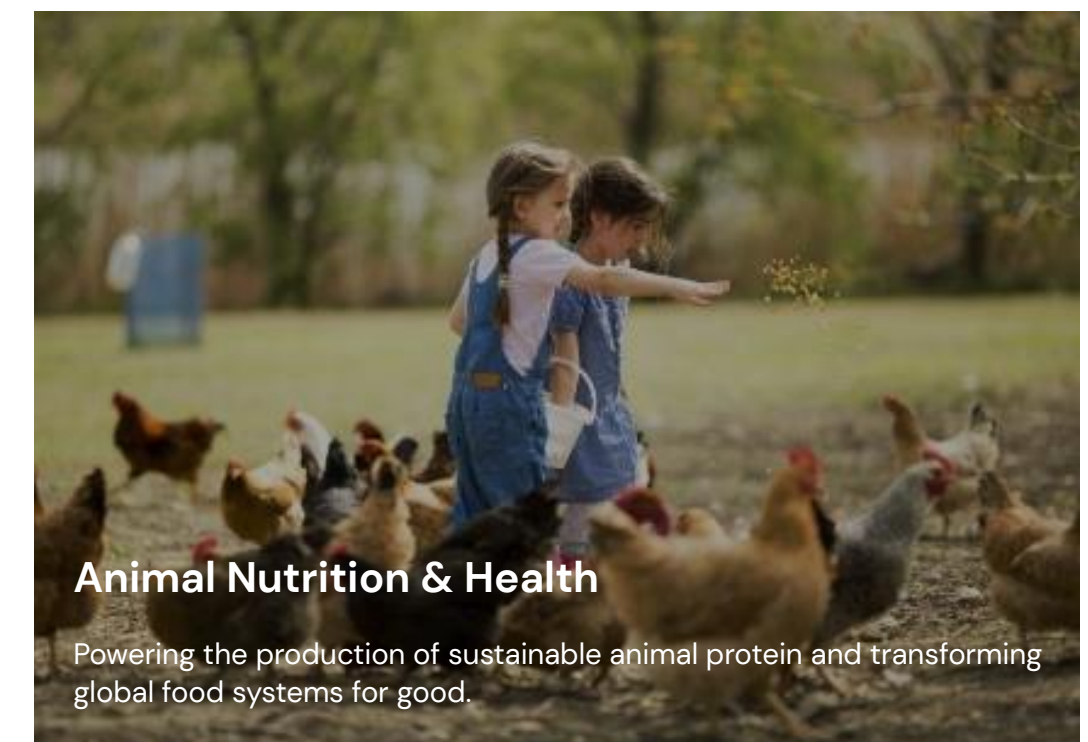
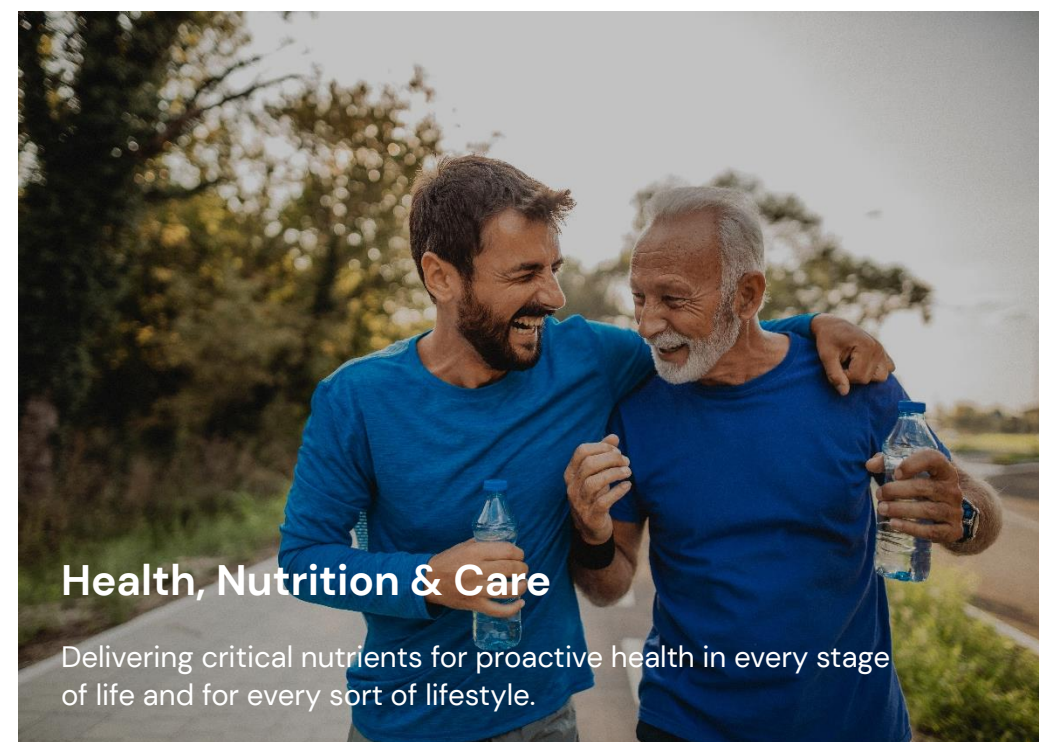
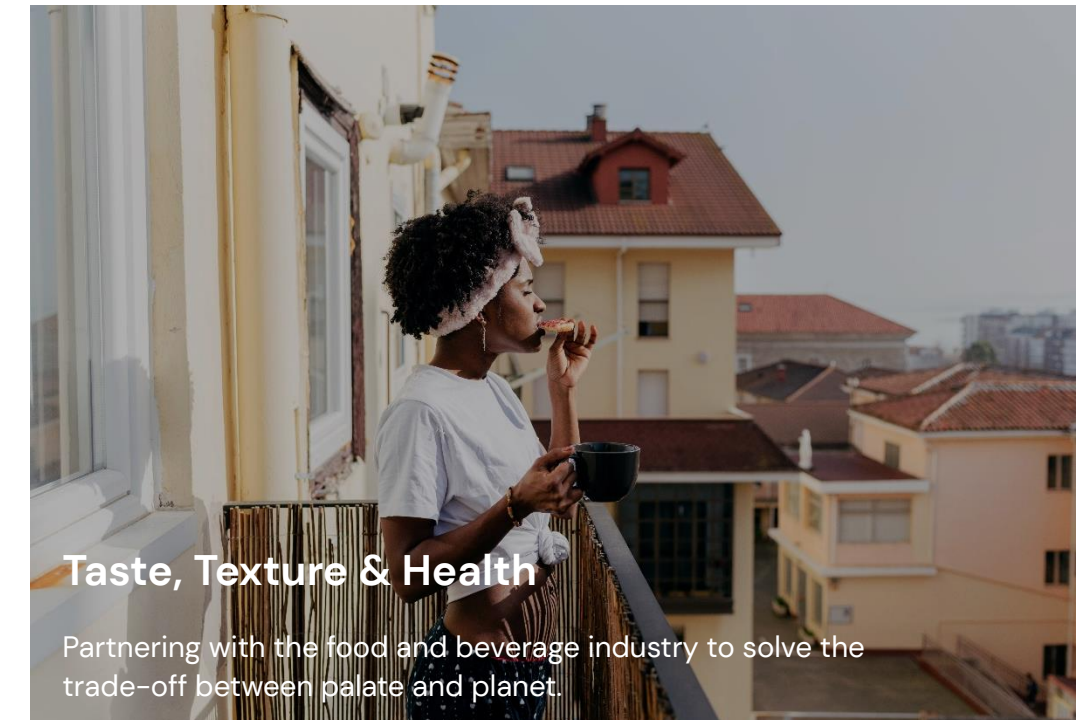
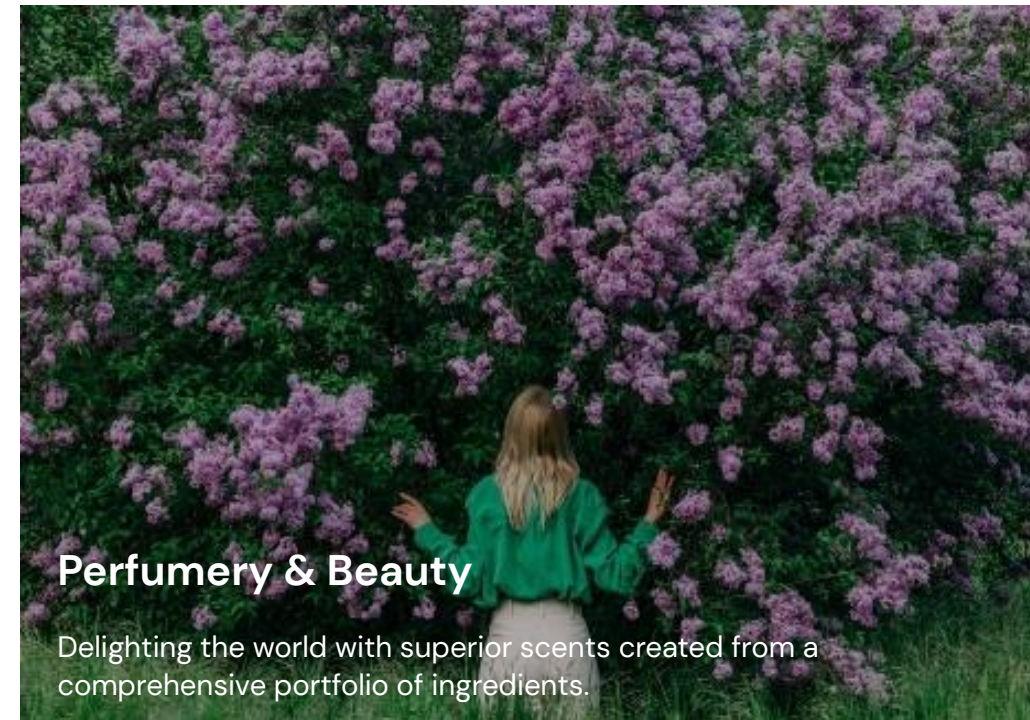


Our Business Units

From fragrances to farming, meals to micronutrients, our four distinct yet complementary Business Units strive to address the latest consumer needs and wants in a sustainable way.

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

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



Our values

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

1) Shape the future

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

2) Be a force for good

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

3) Own the outcome

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



Key data

Financial performance (x € million)	2024	Pro forma 2023 ¹
Sales from continuing operations	12,799	12,310
Adjusted EBITDA from continuing operations ²	2,118	1,777
Adjusted operating profit from continuing operations (EBIT) ²	926	666
Operating profit (loss) from continuing operations (EBIT)	561	(173)
Net profit (loss) for the year from continuing operations	280	(550)
Core adjusted net profit for the year from continuing operations ²	849	555
Adjusted gross operating free cash flow from continuing operations ²	1,552	999
Capital expenditure, cash based	764	734
Dividend for dsm-firmenich shareholders (based on profit appropriation) ³	661	663
Net debt	2,556	2,215
Shareholders' equity	22,511	22,908
Total assets	33,747	34,270
Capital employed	26,474	26,766
Market capitalization at 31 December ⁴	25,825	24,442
Other financial indicators		
Per ordinary share in €		
Basic earnings per share	0.94	9.14
Core earnings per share ²	3.10	2.03
Financial ratios (%)		
Adjusted EBITDA margin (continuing operations) ²	16.5	14.4
Working capital / annualized net sales (continuing operations)	27.7	31.1
Core adjusted ROCE (continuing operations) ²	7.6	5.2
Equity / total assets	67.3	67.3

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

2. In presenting and discussing dsm-firmenich's financial position, operating results and cash flows, dsm-firmenich (like many other publicly listed companies) uses certain Alternative performance measures (APMs) not defined by IFRS and referred to as '(Core) Adjusted'. These APMs are used because they are an important measure of dsm-firmenich's business development and management performance. A reconciliation of IFRS performance measures to the APMs is given in [Note 2 Alternative performance measures](#) to the Consolidated Financial Statements.

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

4. Source: Bloomberg.

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



Letter to our stakeholders

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

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

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

Growing momentum and improving performance

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

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

Merger synergies

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

Decisive action on many fronts

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

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

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

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

Next step: accelerating our growth

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

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

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

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



Innovation-driven growth

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

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

Sustainability

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

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

Strategic growth investments

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

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

Governance

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

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

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

Looking ahead

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

Warm regards,



Thomas Leysen
Chairman of the Board of Directors



Dimitri de Vreeze
Chief Executive Officer



Our strategy

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

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

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



Dream



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

Merge



Bringing together two iconic companies

Focus



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

Separating Animal Nutrition & Health

Tune



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

Accelerate



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

A Category of One

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

Accelerating growth as a Category of One

Where?

In the right space

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

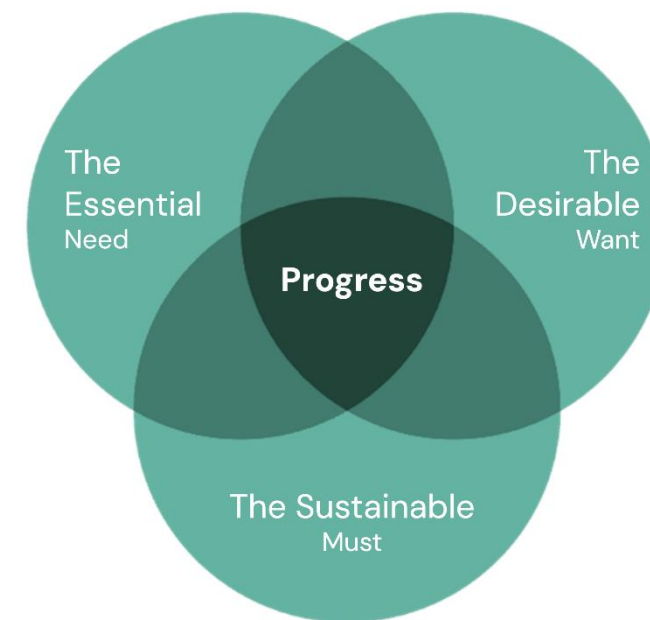
Key trends:

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

Why?

To bring progress to life

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



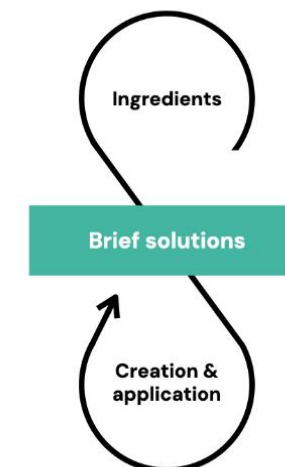
How?

With our unique business model

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

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

Sustainability as a business driver



Science & Research Innovation

What?

Achieving our mid-term targets

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

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



Our approach to business

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

Our Business Units

Our activities are organized into four distinct Business Units:

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

Science & Research

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

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

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



Our journey to creating a Category of One

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

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

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

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

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

Continuing our journey as a Category of One

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

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

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

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

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



Our unique business model

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

Science & Research

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

Sustainability

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

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

Operational principles

The following principles govern our operating model:

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



Our drivers of success

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

People and values

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

Innovation capabilities

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

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

Market proximity

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

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

Our foundation

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

Quality

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

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

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

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

Safety, Health & Environment (SHE)

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

Ethics and compliance

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



Science & Research

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

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



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

Dr. Sarah Reisinger,
Chief Science & Research Officer



Our approach to Science & Research

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

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

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

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

R&D expenditure

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

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

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

Our capabilities

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

Biotechnology

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

Microbiome research

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

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

Receptor biology and sensory sciences

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

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

AI and data science

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



Chemical and process sciences

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

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

Formulation and materials science

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

Analytical sciences

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

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

Nutritional and food sciences

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

IP and licensing

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

Scientific collaboration

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

Venturing

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

Pushing the boundaries

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

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

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

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

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

