

2023

# Compensation Report



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# Compensation report 2023

On behalf of the Board of Directors and the Compensation Committee, we here present the very first compensation report of DSM–Firmenich AG. The report has a somewhat atypical nature. DSM–Firmenich AG (the Company) is the parent company of the merger combination DSM and Firmenich. This report concerns the remuneration from the first date the Company stock was traded on Euronext Amsterdam (18 April 2023). For this reason, there will be no comparison with the previous year. The actual 2023 remuneration will be considered against the background of the remuneration philosophy and principles set for the new Company. Furthermore, the actual remuneration provided in 2023 is reviewed against the maximum total amount of remuneration as approved by the General Meetings held on 18 April 2023 and 29 June 2023 respectively.

## Category of one

As a newly established company in a category of one, domiciled in Switzerland, dsm–firmenich required a new remuneration set-up, fit for the purpose of the new entity, its combined business, and its leadership team. DSM and Firmenich historically had different remuneration schemes for their respective boards and executive committees, primarily due to their domiciles and industry. Furthermore, the new Company is substantially larger and more complex than each of the former separate entities. We therefore developed a greenfield approach tailored to our new operating model, business strategy, and market references.

## Consultation of stakeholders

At the inception of the new Company, the compensation approach was validated by the legal representatives of the then shareholders at the General Meeting of Danube AG (renamed DSM–Firmenich AG) on 18 April 2023. The meeting approved the maximum total amount of remuneration for the Board of Directors for the period until the Extraordinary General Meeting (**EGM**) of DSM–Firmenich AG on 29 June 2023, and the maximum total amount of remuneration for the Executive Committee for the (remaining term of the) financial year 2023. As we aim to be transparent regarding the remuneration of the Board of Directors and the Executive Committee, we have thoroughly consulted with investors and shareholder representatives to obtain their feedback on the proposed remuneration structure. We are grateful for their active engagement and constructive dialogue. The information used in this respect can be viewed on the Company website. Our investors and shareholder representatives embraced the proposed remuneration structure and its underlying philosophy and considerations. Their feedback and recommendations have been taken into account in the proposals for the Board of Directors remuneration over the period between the EGM of 29 June 2023 until the 2024 Annual General Meeting (**AGM**) as well as the for the Executive Committee Members over the financial year 2024. All proposals were approved at the EGM on 29 June 2023: 97.18% voted in favor of the proposed maximum amount of remuneration for the Board of Directors, while 96.97% of the votes cast were in favor of the proposed maximum amount of remuneration for the Executive Committee.

## First quarter 2023

This compensation report covers the period starting 18 April 2023 until 31 December 2023. Obviously, no reference can be made to remuneration provided in previous years. Between 1 January 2023 and 18 April 2023, the then responsible Members of the respective legacy boards and executive committees were compensated on the basis of approved policies and practices at DSM and Firmenich separately.

## The business in 2023

dsm–firmenich seeks to tackle the opportunity between what society needs, what people individually want, and what the planet demands in the areas of nutrition, health, and beauty. We therefore creatively apply proven science and draw on our data-driven innovation capabilities as well as exceptional standards of operational excellence. In close cooperation



with our customers, we create solutions that are essential for life as well as desirable for consumers yet simultaneously more sustainable for the planet.

The Company is well advanced in the integration process, while our customers are positive toward our enhanced business proposition. This gives confidence regarding the delivery of our synergy targets.

We operated in a tough macro-economic environment in 2023, characterized by unprecedented low vitamin prices, but also by a continued destocking cycle and negative foreign exchange effects. In this challenging context, Perfumery & Beauty recorded good performance while performance in Taste, Texture & Health was solid. Health, Nutrition & Care, but especially Animal Nutrition & Health, were weak on exceptionally low vitamin prices and destocking. A vitamin transformation program, as well as cash flow generation were made key priorities in 2023.

Early 2024, the Company announced the initiation of a process to separate out the Animal Nutrition & Health (ANH) business from the Group. This should strongly reduce our exposure to vitamins earnings volatility and reduce our capital intensity in line with our long-term strategy. We believe that the full potential of our attractive and future-oriented ANH business could be best realized through a different ownership structure.

In view of the economic environment and especially the historically low vitamins prices, revenue and margins lagged behind expectations, whereas we delivered a very strong performance on cash. Consequently, the Short-Term Incentive achievement was below target. Our workforce has remained very engaged, driving a successful integration. We remain very confident of achieving our integration objectives as well as securing lasting performance from our Business Units.

This report has been prepared in compliance with Article 734 et seqq. of the Swiss Code of Obligations. It comprises information required under the Swiss Code of Obligations and considers the Swiss Code of best practice for corporate governance.

In 2023, we embarked on a journey, building a new Company with the distinct purpose to bring progress to life. This is a journey we undertake together with all our stakeholders and on which we will continue to seek dialogue with investors and shareholder representatives regarding remuneration matters.

Carla Mahieu  
Chair Compensation Committee





## 2023 Remuneration at a glance

### Board of Directors (BoD)

To ensure independence, the Members of the Board of Directors receive a fixed fee partially in cash and partially in Restricted Share Units (RSUs); the committee fees are provided in cash. RSUs are subject to a three-year vesting period.

#### Applicable fee structure BoD on annual basis

Fixed fee	Cash	RSUs
<i>(In CHF)</i>		
Chairman	400,000	400,000
Vice Chair	122,500	122,500
Member	100,000	100,000
Committee fees	Cash	RSUs
Chair Audit & Risk	40,000	n.a.
Chair other committees	30,000	n.a.
Member Audit & Risk	25,000	n.a.
Member other committees	20,000	n.a.

Members of the Board of Directors are not subject to a minimum shareholding requirement.

The below table concerns the actual (2023) and estimated (2024) remuneration provided for the period from 18 April 2023 until the 2024 Annual General meeting on 7 May 2024, compared to the total maximum remuneration as approved by the General Meetings on 18 April 2023 and 29 June 2023 respectively.

#### Approved and provided compensation BoD

Total Compensation	Approved	Provided
<i>(In € thousand, considering the 2023 Average Fx rate*)</i>		
18 April 2023 until AGM 7 May 2024	4,579	3,769

\* Fees are determined and paid in CHF; reporting herein is based on €. During the year payments are converted to €. The 2023 Average Fx rate is €1 = CHF0.97176.

The total compensation excluding social security contributions remains within the approved amount.

As at 31 December 2023 the Members of the Board of Directors held 16,078,901 shares and 18,239 RSUs.

### Executive Committee (ExCo)

We want to attract and retain qualified leaders who can shape our future, rewarding progress in innovation and growth. We focus on long-term stakeholder value, aim to be competitive within the relevant market, and strive to align rewards with the Company's strategy and sustainability ambitions. The below table provides an overview of target Total Direct Compensation. In addition to Base Salary, Total Direct Compensation consists of the Short-Term Incentive and the Long-Term Incentive.

#### Total Target Direct Compensation ExCo

	Target STI	Target LTI
<i>(In % of Annual Base Salary)</i>		
CEO	100%	200%
Other ExCo Members	85% or 100%	120% or 100%

The minimum shareholding obligation is 300% (of annual Base Salary) for the CEO and 100% for other ExCo Members, to be accrued in a five-year period.

The total compensation excluding social security contributions awarded to the Members of the Executive Committee over the period from 18 April 2023 until 31 December 2023 is within the maximum amount of total compensation for the same period as approved by the General Meeting on 18 April 2023 (see below table).

#### Approved and provided compensation ExCo

Total Compensation	Approved	Provided
<i>(In € thousand), considering the 2023 Average Fx rate*)</i>		
18 April 2023 until 31 December 2023	38,590	20,418

\* Fees are determined and paid in CHF; reporting herein is based on €. During the year payments are converted to €. The Average Fx rate is €1 = CHF0.97176.

On 31 December 2023 the CEO held 82,453 shares. The other Members of the Executive Committee in total held 91,267 shares.

### Governance

- Remuneration decisions are governed by the Swiss Code of Obligations and the Company's Articles of Association.
- The prospective maximum remuneration for the Board of Directors and the Executive Committee is subject to a binding vote at the General Meeting.
- The General Meeting casts a non-binding vote on the Compensation Report.



## Compensation governance

As determined by the Swiss Code of Obligations and the Articles of Association, the remuneration of the Board of Directors and the Executive Committee is subject to approval by the General Meeting of Shareholders, upon a proposal by the Board of Directors. The governance for setting the compensation is laid out in the below overview.

Remuneration of	Proposal by	Approval by
Board of Directors as a whole	Board of Directors	General Meeting of Shareholders
Executive Committee as a whole	Board of Directors	General Meeting of Shareholders
Chair of the Board of Directors; CEO <sup>1</sup>	Compensation Committee	Board of Directors
Members of the Board of Directors	Compensation Committee	Board of Directors
Members of the Executive Committee	Compensation Committee	Board of Directors

<sup>1</sup> CEO will not attend (those parts of the) meetings if items are discussed involving him individually.

Considering proposals of the Compensation Committee, the Board of Directors shall approve the terms and conditions of Short- and Long-Term Incentive plans (to be settled in cash or equity), including the performance targets. Furthermore, the Board of Directors approves the terms and conditions of employment arrangements of the Board of Directors and the Executive Committee and may provide for adjustment mechanisms or claw-back of incentive-based compensation. Regarding equity compensation plans, the Board of Directors shall determine the plan specifics, such as, but not limited to, grant value, vesting requirements, blocking, and/or lock-up periods and forfeiture conditions.

Governed by the Compensation Committee charter, the Compensation Committee comprises four independent non-Executive Directors, to be appointed for one year by the General Meeting of Shareholders. For the period from 18 April until the 2024 AGM, the Committee Members are: Carla Mahieu (Chair), Thomas Leysen, Frits van Paasschen, and André Pometta. The Chair determines the agenda, while the Chief Human Resources Officer (**CHRO**) and relevant experts prepare and provide materials for the Compensation Committee meetings. The Compensation Committee may invite the CEO or other Executives to their meetings as deemed necessary. They have an advisory role and no voting rights. This is also the case for external experts and advisors that may be engaged during the year to provide legal and external market insights.

### Annual agenda Compensation Committee

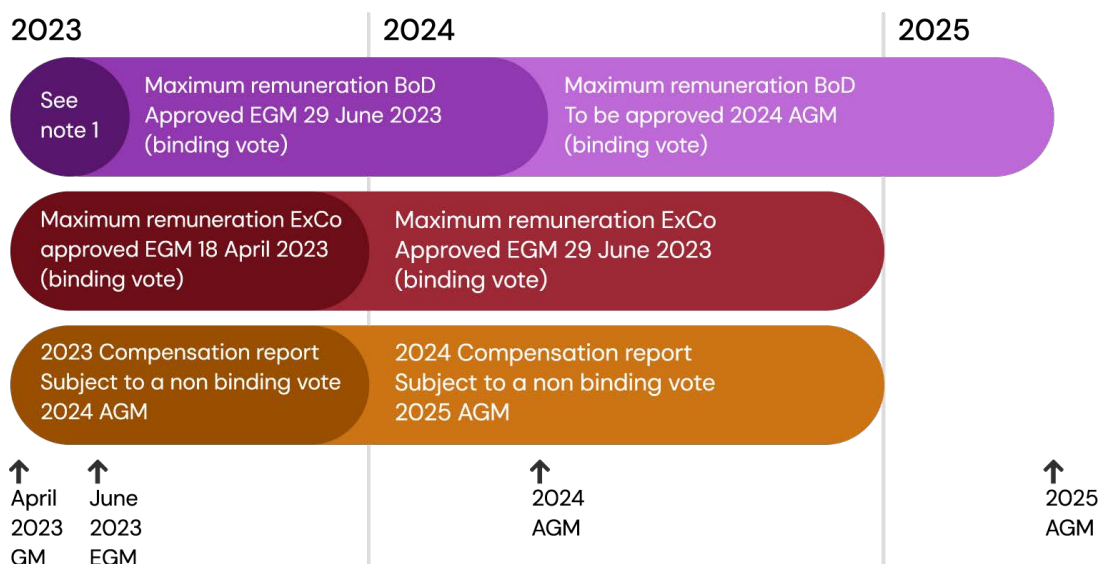
1 <sup>st</sup> Half of financial year	2 <sup>nd</sup> Half of financial year
<ul style="list-style-type: none"> <li>- Actual remuneration Board of Directors and Executive Committee Members, backward-looking</li> <li>- Remuneration Board of Directors and Executive Committee, forward-looking</li> <li>- STI and LTI actual performance achievement, backward-looking</li> <li>- STI and LTI target performance measures, forward-looking</li> <li>- Trends in remuneration, governance, and regulatory requirements</li> <li>- Validation compliance checks with rewards principles</li> <li>- Validation of annual Compensation Report</li> <li>- Preparation for AGM</li> </ul>	<ul style="list-style-type: none"> <li>- Market benchmarking for Board of Directors and Executive Committee remuneration</li> <li>- Stakeholder consultation</li> <li>- Review of incentive design and alignment to strategy</li> <li>- Preview annual Compensation report</li> </ul>



The shareholders are involved in the decisions concerning the remuneration of the Board of Directors and the Executive Committee. The General Meeting has a binding vote on the maximum remuneration for the Board of Directors and the Executive Committee. In accordance with the Articles of Association, such a binding vote has a prospective nature and concerns the maximum remuneration for the period until the next General Meeting (Board of Directors) or the following calendar (i.e., financial) year (Executive Committee). We submit a compensation report to the General Meeting (non-binding vote), inviting the shareholders to express their opinion on the remuneration in the previous year.

The below table provides an overview of the relevant decisions on compensation (to be) made by the respective general meeting of shareholders.

### Remuneration decisions



1 The General Meeting on 18 April 2023 approved the maximum remuneration for the Board of Directors from 18 April until 29 June 2023.

## Currency

As determined by the Articles of Association, the Company currency is Euro. The remuneration of the Members of the Board of Directors and the Members of the Executive Committee is determined and paid in Swiss Francs (CHF). For Members of the Executive Committee employed by a non-Swiss entity, an average conversion rate to Euro applies. For the purpose of establishing the maximum remuneration amounts for the Board of Directors and the Executive Committee as approved by the General Meetings, a 1-to-1 conversion rate for CHF to € was assumed (**'Assumed Fx rate'**). For accounting purposes, payments during the year provided in CHF were converted to € using a monthly average rate. The 2023 average exchange rate was €1 = CHF0.97176 (**'Average Fx Rate'**). These converted amounts, plus any items (cash or equity) provided for in Euro, represent the actual remuneration. In accordance with the Swiss Code of Obligations (art. 734 para. 2 in connection with art. 958d, para. 3), the actual remuneration stated in Euro must be expressed in local currency (i.e., CHF) as well. In line with the accounting principles, the year-end Fx rate equal to €1 = CHF0.9260 (**'Year-end Fx rate'**) applies in this respect. Amounts calculated by this means are referred to as **'CHF Value'**.



## Remuneration of the Board of Directors

### Set-up of the remuneration of the Board of Directors

The Remuneration approach is designed to engage qualified independent directors who possess the right balance of personal skills, competencies, and experience required to execute the responsibilities and tasks assigned to the Board of Directors by law or by the Articles of Association. To ensure the Company provides a fair and competitive remuneration, regular benchmarks are conducted. As it is market practice to review the remuneration of the Board of Directors against practices in the country of domicile, the companies included in the Swiss Market Index (**SMI**) serve as the benchmark (excluding companies whose compensation levels are considered materially higher than the SMI companies). The fees set, are below the median of the reference group.

The remuneration consists of a Base Fee and Committee Fees. The fees aim to ensure that the Members of the Board of Directors utilize their skills and competences to the maximum extent possible and reflects the nature of responsibilities and the time spent. At his request, the Chair does not receive any fees concerning his participation in any of the Committees. To safeguard independence, fees are not linked to the achievement of any predefined individual or Company performance targets.

The fees for the Members of the Board of Directors, are set and paid in CHF. As of 18 April 2023, Base Fees and Committee Fees on annual basis are set as included in the below table.

### Fees Board of Directors

	Base Fee	Committee Fee
	CHF	CHF
Chairman Board of Directors	800,000	
Vice-Chair Board of Directors	245,000	
Member Board of Directors	200,000	
Chair Audit Committee		40,000
Member Audit Committee		25,000
Chair other Committees		30,000
Member other Committees		20,000

To align the interests of the Members of the Board of Directors with other stakeholders, half of the Base Fee is awarded in Restricted Share Units (**RSUs**) i.e., the right to receive a dsm-firmenich share at vesting. It is explicitly noted that RSUs are not tied to any individual or Company performance targets. The grant of RSUs is subject to the following guidelines:

- The number of RSUs to be granted will be calculated considering the average share price of the dsm-firmenich share over a reference period
- RSUs do not carry voting rights and do not provide eligibility for dividend payments
- Vesting and holding period: 3 years, starting at grant date
- The possibility to conduct a sell-to-cover transaction at vesting to settle taxes due at the respective moment in time
- Upon leaving the Board, all outstanding RSUs recorded as unvested at termination date shall vest, subject to a holding obligation of the vested shares of a minimum of one year

The Company pays employer contributions to social security systems in line with applicable laws in any relevant geography. These amounts are not included in the maximum amount for remuneration of the Board of Directors as approved by the General Meeting. Other than mandatory contributions to the company pension plan ('second pillar') applicable because of Swiss regulations, the fees are not pensionable.





No mandatory shareholding requirement applies for the Members of the Board of Directors. No loans will be provided to the Members of the Board of Directors.

Expenses incurred in fulfilling duties are reimbursed, to be paid upon submission of a statement of expenses.

## Remuneration Board of Directors in 2023

### Assignment to Committees

Ms. Sze Cotte-Tan joined the Board of Directors as of 1 May 2023, whereas the other Members were appointed with effect from 18 April 2023. During 2023, no further changes occurred in the composition of the Board of Directors. The Members of the Board of Directors are assigned to the various Committees.

### Committee overview

	Audit & Risk	Compensation	Governance & Nomination	Sustainability
Thomas Leysen (Chairman)		Member		
Patrick Firmenich (Vice-Chair)			Chair	
Sze Cotte-Tan				Member
Antoine Firmenich	Member			Chair
Carla Mahieu		Chair	Member	
Erica Mann				Member
Frits van Paasschen	Member	Member		
Pradeep Pant			Member	
André Pometta		Member		
John Ramsay	Chair			
Richard Ridinger			Member	
Corien Wortmann	Member			Member

### Remuneration provided to the Members of the Board of Directors in 2023

Considering the decision that 50% of the Base Fee will be awarded in cash and the remaining 50% in equity, the below table provides an overview of the total cash remuneration between 18 April to 31 December 2023 and the RSU grant.

### Remuneration Board of Directors 2023 (from 18 April 2023 until 31 December 2023) – Audited

In €	Base Fee in cash	Committee Fees <sup>1</sup>	Other <sup>2</sup>	Number of RSUs granted	Face value at grant <sup>3</sup>	Remuneration excl. social security contributions	Social security contributions <sup>4</sup>	Total Remuneration
Thomas Leysen (Chairman)	312,049	-	-	4,791	384,288	696,337	-	696,337
Patrick Firmenich (Vice-Chair)	95,565	21,712	4,561	1,468	117,749	239,587	10,401	249,988
Sze Cotte-Tan <sup>5</sup>	70,672	13,740	-	1,198	96,092	180,504	7,569	188,073
Antoine Firmenich	78,012	39,805	57,856	1,198	96,092	271,765	10,443	282,208
Carla Mahieu	78,012	36,187	-	1,198	96,092	210,291	9,326	219,617
Erica Mann	78,012	14,475	-	1,198	96,092	188,579	21,692	210,271
Frits van Paasschen	78,012	32,568	-	1,198	96,092	206,672	-	206,672
Pradeep Pant	78,012	14,475	-	1,198	96,092	188,579	6,256	194,835
André Pometta	78,012	14,475	4,561	1,198	96,092	193,140	8,293	201,433
John Ramsay	78,012	28,949	-	1,198	96,092	203,053	16,156	219,209
Richard Ridinger	78,012	14,475	57,856	1,198	96,092	246,435	14,765	261,200
Corien Wortmann	78,012	32,568	-	1,198	96,092	206,672	9,647	216,319
<b>Total</b>	<b>1,180,394</b>	<b>263,429</b>	<b>124,834</b>	<b>18,239</b>	<b>1,462,957</b>	<b>3,031,614</b>	<b>114,548</b>	<b>3,146,162</b>



	Base Fee in cash	Committee Fees <sup>1</sup>	Other <sup>2</sup>	Number of RSUs granted	Face value at grant <sup>3</sup>	Remuneration excl. social security contributions	Social security contributions <sup>4</sup>	Total Remune- ration
<b>CHF Value</b>								
Thomas Leysen (Chairman)	288,957	-	-	4,791	355,850	644,807	-	644,807
Patrick Firmenich (Vice-Chair)	88,493	20,105	4,223	1,468	109,035	221,856	9,631	231,487
Sze Cotte-Tan <sup>5</sup>	65,442	12,723	-	1,198	88,981	167,146	7,009	174,155
Antoine Firmenich	72,239	36,859	53,575	1,198	88,981	251,654	9,670	261,324
Carla Mahieu	72,239	33,509	-	1,198	88,981	194,729	8,636	203,365
Erica Mann	72,239	13,404	-	1,198	88,981	174,624	20,087	194,711
Frits van Paasschen	72,239	30,158	-	1,198	88,981	191,378	-	191,378
Pradeep Pant	72,239	13,404	-	1,198	88,981	174,624	5,793	180,417
André Pometta	72,239	13,404	4,223	1,198	88,981	178,847	7,679	186,526
John Ramsay	72,239	26,807	-	1,198	88,981	188,027	14,960	202,987
Richard Ridinger	72,239	13,404	53,575	1,198	88,981	228,199	13,672	241,871
Corien Wortmann	72,239	30,158	-	1,198	88,981	191,378	8,933	200,311
			115,596					
<b>Total</b>	<b>1,093,043</b>	<b>243,935</b>		<b>18,239</b>	<b>1,354,695</b>	<b>2,807,269</b>	<b>106,070</b>	<b>2,913,339</b>

1 Positions of the Members of the Board of Directors explained in previous paragraph. Committee Fees are provided in cash.

2 Concerns fees for the Scientific Advisory Board and second pillar pension contributions if required.

3 Face value at grant – number of share units granted times opening price at grant date. For the total number of RSUs granted, the fair value used for accounting purposes in accordance with the International Financial Reporting Standards (IFRS) amounts to €1,443,799 (CHF Value: 1,336,958).

4 (Estimated) social security contributions by the Employer based on 2023 remuneration in any relevant jurisdiction.

5 Appointed on 1 May 2023.

The Company has not provided any loans to the Members of the Board of Directors, nor were payments made by subsidiaries of dsm-firmenich (except for payments to Members of the Scientific Advisory Board, as included under 'Other'). No payments have been made to persons closely connected to the Members of the Board of Directors (i.e., **Associated Persons**, defined as their spouse, their children under 18 years of age, legal entities owned or controlled by them, or any person acting as their fiduciary) (*Audited*).

### Compensation voting

The General Meeting of Danube AG (renamed DSM-Firmenich AG) on 18 April 2023 approved a maximum total amount of remuneration for the Board of Directors of €850,000 (CHF850,000 applying the Assumed Fx rate) for the period starting 18 April 2023 until 29 June 2023. In establishing the amounts, the Assumed Fx rate (EUR 1 = CHF1) was considered. The EGM of DSM-Firmenich AG on 29 June 2023 approved (97.18% in favor) a maximum total amount of remuneration for the Board of Directors of €3.6 million (CHF3.6 million based on Assumed Fx rate) for the period 29 June 2023 until the next AGM (7 May 2024). Since the underlying assumptions are the same, the two amounts are herein combined into one overall maximum total amount of remuneration for the Board of Directors of €4.45 million (CHF4.45 million) covering the period starting 18 April 2023 and ending 7 May 2024 (386 days). The approved amount was based on the following considerations:

- The amount does not include the company-related portion of social security contributions paid in line with applicable laws in any relevant geography
- Share price development and exchange rate fluctuations are not included
- Other than mandatory contributions to the company pension plan ('second pillar') applicable because of local Swiss regulations, the fees are not pensionable
- An amount of €160,000 (CHF160,000) is included to cover the fees of the Members of the Board of Directors who also are a member of the Scientific Advisory Board
- An amount was included to cover for unforeseen circumstances as well as offset an appreciation of the share price on grant date compared to the reference (average price over August 2023) used to determine the number of RSUs

The below table provides an overview of the total maximum amount of remuneration as approved by the General Meeting for the period 18 April 2023 until 7 May 2024 and the actual remuneration (excluding social security contributions)



awarded in 2023 and to be paid over the period 1 January 2024 until 7 May 2024, thereby considering the Average Fx rate that applied for 2023).

### Approved maximum total amount of remuneration and actual remuneration Board of Directors from 18 April until 7 May 2024 – Audited

x thousand	Approved maximum remuneration		Actual remuneration excluding social security contributions	
	€	CHF	€	CHF
Total Remuneration Assumed Fx rate	4,450	4,450	3,524	3,524
Total Remuneration Average Fx rate	4,579	4,450	3,769	3,663

The total remuneration provided in 2023 to the Members of the Board of Directors amounted to €3,031,614 (excluding social security charges for the account of the Company). This includes the value of the RSU grant: €1,462,957 based on the face value (i.e., opening price) at the grant date. It is estimated that the total remuneration for the Board of Directors for the period 1 January 2024 until 7 May 2024 will amount to €737,461. Added to the remuneration provided in 2023, the total amount of €3,769,075 remains within the approved maximum amount.

### Shareholding

By the end of 2023, the Members of the Board of Directors, including Associated Persons, held 16,078,901 ordinary shares and 18,239 RSUs. The below table provides an overview, detailing:

- The number of Ordinary dsm-firmenich shares held by each individual member of the Board of Directors on 31 December 2023
- The number of outstanding RSUs held by each individual Member of the Board of Directors, granted in 2023

### Shareholding Board of Directors – Audited

	Number of Shares held on 31 December 2023	Number of RSUs held on 31 December 2023
Thomas Leysen (Chairman)	20,035	4,791
Patrick Firmenich (Vice-Chair)	4,548,829	1,468
Sze Cotte-Tan	-	1,198
Antoine Firmenich	3,519,236	1,198
Carla Mahieu	-	1,198
Erica Mann	-	1,198
Frits van Paasschen	-	1,198
Pradeep Pant	-	1,198
André Pometta	7,985,013	1,198
John Ramsay	1,788	1,198
Richard Ridinger	4,000	1,198
Corien Wortmann	-	1,198
<b>Total</b>	<b>16,078,901</b>	<b>18,239</b>



## Remuneration Executive Committee

### Remuneration set-up

#### Remuneration philosophy

Our remuneration philosophy aims to attract and retain qualified leaders who can shape our future, rewarding progress in innovation and growth, and achieving outstanding outcomes together. Our remuneration principles are in line with how the top executives of listed companies in the EU and Switzerland are rewarded. In line with the business strategy, the new remuneration approach focuses on creating long-term stakeholder value. In addition, dsm-firmenich considers it important to align compensation not only with financial targets but also with sustainability goals and ambitions. The key elements of the compensation philosophy and implementation guidelines are set out below.

#### Key elements of the compensation philosophy and implementation guidelines

<p><b>Reward long term stakeholder value</b></p> <p>Remuneration strategies and outcomes are tied to the purpose of the Company and reflect the long-term value created for its varied stakeholders.</p>	<p><b>Simplicity and transparency</b></p> <p>Straightforward design and transparent communication to all stakeholders are essential.</p>
<p><b>Fair and competitive rewards</b></p> <p>Reward opportunities reflect competitive practices of peer companies, guaranteeing pay equity and competitiveness on total remuneration, securing pay for performance and rewarding superior, sustainable value creation.</p>	<p><b>Alignment with applicable governance practices</b></p> <p>Our rewards methodology will reflect appropriate best practice and corporate governance standards.</p>
<p><b>Aligned with group strategy and sustainability ambitions</b></p> <p>Group performance and leadership in sustainability commitments are reflected in rewards design.</p>	<p><b>Individual choice and diversity</b></p> <p>We strive to enable our people to make personal choices on benefit offerings in line with their needs throughout different phases of life.</p>

### Benchmarking

Total compensation for the Executive Committee is regularly reviewed through benchmarking against the market to ensure we can attract and retain talented leaders who *bring progress to life* and to ensure that we remain competitive. The benchmarking includes a quantitative review of remuneration level, but also a qualitative review of best practices as well as developments regarding remuneration in the public domain.

In view of the quantitative analysis, a labor market peer group has been defined, based on the following considerations:

- Manufacturing companies headquartered in Europe (mix of companies based in Switzerland, the Netherlands, and other countries); US companies excluded
- Acknowledging recommendations by shareholder representatives, selected peer group companies are comparable in size and complexity. Indicators considered in this respect include market capitalization, revenue, and number of employees



## Labor market peer group

Company	Country	Company	Country
ABB	Switzerland	Heineken	Netherlands
AkzoNobel	Netherlands	Henkel	Germany
Alcon	Switzerland	Kerry Group	Ireland
ASML Holding	Netherlands	Koninklijke Philips	Netherlands
Beiersdorf	Germany	Lonza Group	Switzerland
Chocoladefabriken Lindt & Sprüngli	Switzerland	Merck KGA	Germany
Danone	France	Reckitt Benckiser	United Kingdom
Givaudan	Switzerland	Sika	Switzerland

## Positioning

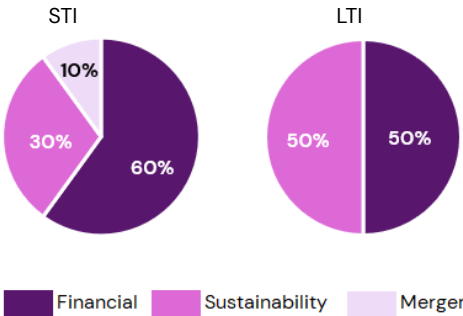
The new remuneration model developed for the merged Company (greenfield approach) reflects the position of dsm-firmenich in the selected peer group. The maximum Total Direct Compensation opportunity for the CEO has been positioned at the median of the peer group, while the at-target opportunity has been set slightly above the median, reflecting the scope of a single CEO position. There is a strong focus on long-term value creation in pay mix design: maximum payout can only be achieved by delivering exceptional performance.

This greenfield approach also applies to the other Executive Committee Members. The greenfield serves as the remuneration reference for existing and future Executive Committee appointments, considering the scope and responsibilities of the role. Total remuneration for the individual Executive Committee Members is around the median of the peer group.

## Remuneration structure Executive committee at a glance

Base salary	Pension & other benefits	Short-Term Incentive	Long-Term Incentive	Shareholding obligation
<b>Purpose and link to strategy</b>				
Fixed pay considering scope of the role, competencies and skill set	Securing health and well-being, risk protection, and post-employment income	Incentive aligning short-term business objectives/drivers with strategic company objectives. Driving pay for performance	Focus on long-term value creation, ensuring that business decisions are in the long-term interests of all stakeholders	Aligning the reward of Executives to the interests of stakeholders
<b>Vehicle / delivery</b>				
Cash	Subject to plan rules (cash settled)	Cash	Performance Share Units ( <i>PSUs</i> ); three-year vesting period subject to performance indicators	Executive Committee Members obliged to hold Company shares
<b>Timing</b>				
Monthly	Subject to plan rules	Accrual in respective financial year. Pay-out at end of Q1 of the consecutive year	Performance and vesting period: three consecutive financial years, starting with the year of grant	Five years to meet the obligation
<b>Opportunity</b>				
Considering responsibilities of the role, market competitiveness, internal equity and competences, skill set	Broadly aligned with the wider workforce (in country of employment) and considering market practice	Target level (in % Annual Base Salary): – CEO: 100% – Other: 85% or 100%	Target level (in % Annual Base Salary): – CEO: 200% – Other: 120% or 100%	In % Annual Base Salary – CEO: 300% – Other: 100%



		Minimum pay-out is 0%, maximum pay-out is capped at 200% of target. Threshold: No STI pay-out if actual Adjusted EBITDA is less than 75% of budgeted Adjusted EBITDA	Maximum vesting capped at 150% or 200% of target	
<b>Performance measures</b>				
Changes to be based on changes in responsibilities, performance, contribution, and benchmarking		Targets are set by the Board of Directors and for 2023 on financial and sustainability objectives as well as KPIs related to the merger. Their respective weighting is as follows: 		Exposure to dsm-firmenich share price

### Pay mix

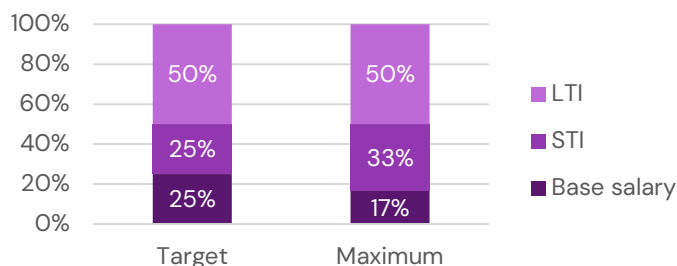
The direct compensation of the Executive Committee Members is approved by the Board of Directors, and comprises:

- Total Direct compensation (Base salary, Short-Term Incentive, Long-Term Incentive)
- Benefits, including pension benefits and risk insurances, company car, and social security contributions

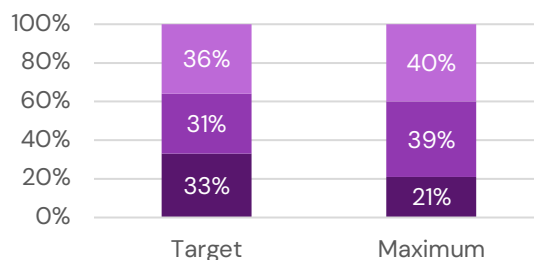
Total Direct Compensation is strongly linked to the short- and long-term success of the Company. The incentive plans are designed to link award opportunities to business performance. For the CEO, 75% of the at-target Total Direct Compensation is linked to incentive programs. Outstanding business performance and achievements may result in pay-out or vesting above target while performance that remains below expectation results in lower compensation or no pay-out or vesting. Each of the components is further explained hereafter.

### Pay-mix Executive Committee

Pay-mix CEO: at-target and maximum



Average Pay-mix other Members Executive Committee: at-target and maximum





### Base salary

With reference to the Total Direct Compensation benchmark, base salary is set acknowledging the scope of responsibilities, competencies, skills, and competitive market data. It is the foundation to determine the Short- and Long-Term incentive opportunity. Base salary is reviewed annually and may be adjusted considering the responsibilities in the role, performance, and contribution of the Executive Committee Members as well as market movements.

### Pension and other benefits

The CEO participates in an international pension plan, while the Members of the Executive Committee participate in the local pension plan of the country in which their employment resides. The benefits to be accrued under the respective (international) plans are similar to the plans applicable to the workforce in the respective countries (the international plan mirrors the Swiss pension scheme). Typical other benefits include a company car and risk insurances in the event of death in service or full disability. In specific situations, temporary housing or typical expatriation benefits may be foreseen.

### Short-Term Incentive

The Short-Term Incentive (STI) scheme is designed to reward short-term (operational) performance within the long-term objective of creating sustainable value and growth, considering the interests of all stakeholders. For at-target performance, the annual STI opportunity amounts to 85% or 100% of annual base salary. The maximum pay-out is capped at 200% of target.

For each goal, a target will be set corresponding to a 100% pay-out. In addition, a floor defines the level of performance below which no pay-out will be made, while the cap represents the level of performance at which the maximum pay-out is 200% of the target opportunity. Pay-out levels between floor, target, and the cap are calculated by linear extrapolation. Final assessment of target achievement is at the sole discretion of the Board of Directors. The STI is subject to an overall threshold. If the actual Adjusted EBITDA over the performance year does not reach 75% of the budgeted Adjusted EBITDA of the year, no STI will be awarded at all.

### Long-Term Incentive

The Long-Term Incentive (LTI) is designed to ensure long-term value creation and alignment with the interests of all stakeholders and supports the retention of talented leaders.

The LTI scheme is a rolling cliff plan covering a three-year performance period. Any grant will be subject to goals set by the Board of Directors. For each goal, a target will be set corresponding to the level of performance that will result in an at-target vesting (i.e., 100% of the target is achieved). In addition, a floor defines the level of performance below which no vesting will take place, while the cap represents the level of performance at which the maximum vesting is earned. Achievement between floor, target, and the maximum are calculated by linear extrapolation. Final assessment of target achievement is at the sole discretion of the Board of Directors.

The at-target grant level for the CEO represents 200% of base salary; maximum vesting is capped at 150% of target. For other Executive Committee Members, the at-target grant is set at 120% or 100% of base salary, with maximum vesting capped at 150% or 200% of target respectively.



Main plan features:

- The grant will be provided for in Performance Share Units (**PSUs**), i.e., the right to receive – upon vesting – one ordinary dsm-firmenich share, provided the vesting criteria are met
- Vesting is subject to continued employment and the achievement of the performance goals set for the respective grant
- Vesting and holding period: three years starting at the grant date
- Performance period: three financial years starting on 1 January of the year of grant
- The number of PSUs to be granted is determined by the base salary at the grant date and the average share price over the reference period to be set by the Board of Directors
- At vesting, Grantees may elect a sell-to-cover in order to cover the withholding of social security contributions and withholding of taxes due at the vesting date

### Share ownership guidance

To align the interests of the Executive Committee Members even further with those of our stakeholders, the Members of the Executive Committee are required to hold a minimum multiple of their annual base salary in dsm-firmenich ordinary shares equivalent to:

- CEO: three times annual base salary
- Other Members: one annual base salary

The required value must be accrued within a five-year period. Only shares in the form of fully vested shares obtained upon the vesting of PSUs granted under a company program or shares privately acquired on the open market are considered.

### Goal setting

A broader set of key performance indicators is in place for dsm-firmenich, some of which feature in our incentive programs. This relates to targets that reflect our financial performance and sustainability goals, since bringing progress to life goes hand in hand with profitable growth. The design of our Short- and Long-Term Incentive plans emphasizes the importance of building long-term growth opportunities. Our goals underpin our commitment to contribute to a better world, while at the same time generating profitable growth in line with our key strategic goals.

Concerning our incentive programs, the Board of Directors will set goals, their weight, and targets (i.e., the metric) for each performance year or equity grant. The weighting shall reflect the importance of both financial and sustainability aspirations. In doing so, the Board of Directors may respond in an agile way to business needs and/or strategy adjustments in a changing environment. In doing this, the Board of Directors shall:

- Derive goals from the Company strategy
- Focus on objectives instrumental to achieving long-term value creation
- Consider historical performance, business outlook and circumstances, and priorities
- Take into account stakeholders' expectations
- Ensure that targets are stretching, in order to drive competitive advantage while discouraging excessive risk-taking

No individual goals are included.

For 2023, a goal related to the delivery of G&A (General & Administrative expenses) synergies via the merger has been defined. Following the end of an applicable performance period, the Board of Directors will, at their sole discretion, compare the actual performance to the targets that were set and will assess their achievement. Within the limits of business-sensitive information, dsm-firmenich will give stakeholders insight into target-setting and achievement.





### Employment terms and conditions

All employment agreements of the Members of the Executive Committee include a clause prohibiting (changes in) pay to be executed if such (change in) remuneration is not included in the maximum amount of remuneration approved by the General Meeting. Members of the Executive Committee have an employment agreement for an indefinite period of time and are subject to a notice period of six or twelve months. During this period (unless there was a termination for cause), entitlement to base salary and STI continues. Unvested Long-Term incentives grants are forfeited on the effective date of a resignation or termination for cause. In other cases of a termination of employment, unvested LTI grants will vest on a pro rata basis on the effective date of such termination. In accordance with Swiss law, no severance payments or change in control provisions are agreed or paid. Non-compete provisions will be activated on a case-by-case basis and are in line with the Swiss Code of Obligations. The Board of Directors may at its discretion recover variable remuneration awarded on the basis of incorrect data, provided that such recovery is required by law and/or will result in the re-statement of annual accounts. This right of recovery shall expire three (3) years from the date of the adoption by the General Meeting of the annual accounts in which the (last instalment of the) applicable variable remuneration has been accounted for.

## Remuneration Executive Committee in 2023

### Composition Executive Committee

Members of the Executive Committee were appointed on 18 April 2023. In May 2023, the Board of Directors decided to evolve the then existing Co-CEO structure, and appointed Dimitri de Vreeze as sole CEO of dsm-firmenich, effective 1 September 2023. No changes were made in Dimitri de Vreeze's remuneration in this connection.

As from the same date, Géraldine Matchett, until then Co-CEO (and holding CFO responsibility), stepped down from the Executive Committee to further her career elsewhere, in full alignment and with the thanks of, the Board of Directors for more than ten years of leadership and impact. She will remain employed during the agreed notice period and will leave the organization on 31 May 2024. During the notice period, contractually agreed arrangements (base salary, Short- and Long-Term Incentive, benefits) remain in force until the date employment is effectively terminated. No new LTI grant is made during the notice period. The agreed non-compete arrangement, effective for a six-month period, includes payment of base salary (excl. benefits and incentives). No severance is paid. If Géraldine Matchett accepts another role prior to the scheduled termination date and within the term of the non-compete arrangement, the Company's obligations will be reduced during the garden leave period by income awarded to her in such other role. Actual payments will be included in the remuneration report concerning the year in which the payments actually are or will be conducted.

In view of these changes, the Board of Directors appointed Ralf Schmeitz as a Member of the Executive Committee and Chief Financial Officer (**CFO**) as of 1 September 2023. The Board of Directors has established his remuneration in line with the established remuneration set-up referred to herein.

While retaining his role as Chief Integration Officer, Emmanuel Butstraen was appointed President of the Perfumery & Beauty business with effect from 1 July 2023. On the same date, Ilaria Resta left dsm-firmenich, following her decision to pursue external career opportunities. In accordance with Swiss law, no severance was paid to her, while any eligibility under the dsm-firmenich incentive schemes and benefit programs was cancelled on the same date.

### Base salary

Base salaries were set in line with the market benchmark. On an annual basis, the CEO's base salary was set at CHF1.350 million (€1.389 million based on the Average Fx Rate).



### Pension and other benefits

The total contribution to the pension plan for the CEO amounted to €127,573 (CHF Value: 118,133). For the Members of the Executive Committee (including former Members), the amount is €670,407 (CHF Value: 620,797). The spend on other benefits, such as a company car and risk insurances in the event of death in service or full disability, as well as housing and other benefits of international assignments, amounted to €1,382,117 (CHF Value: 1,279,840).

### Short-Term Incentive (STI)

On an annual basis, the at-target STI opportunity is set at 100% of base salary for the CEO. The at-target STI for other Members of the Executive Committee is on annual basis set at 85% or 100% of base salary. The maximum pay-out is capped at 200% of the at-target opportunity.

For 2023, a new STI framework has been designed containing the goals as described below. Targets have been set against the new performance criteria of the two merged entities post-closing. The 2023 STI payout prior to closing of the merger was settled in accordance with legacy plan rules for the first quarter of 2023 for DSM legacy Executive Committee Members, whereas for Firmenich Executive Committee Members it was paid through May 2023.

### Overview 2023 STI goals

Goal Type	Goal	Weight	Definition
Financial goals (Weight: 60%)	Adjusted EBITDA	30%	Sum of the operating profit plus depreciation, amortization and impairments, adjusted for material items of profit/loss following acquisitions/divestments, restructurings, impairments, and other circumstances deemed necessary
	Adjusted gross operating free cash flow	15%	Cash flow from operating activities, corrected for the cash flow of the Alternative Performance Measures (APM) adjustments, minus the cash flow of capital expenditures
	Organic sales growth	15%	Sales growth, excluding the impact of acquisitions, divestments, and currency changes
Merger synergy (10%)	Merger synergy performance	10%	Progress made on delivery of G&A savings Note: cost synergies are also included in short-term financial goals
Sustainability goals (30%)	Safety	15%	Total Recordable Incidents All Rate: (i) including supervised and non-supervised contractors and (ii) excluding Health incidents
	Engagement	15%	Work engagement: Degree to which employees are passionate about their work and find their work meaningful

For each goal, a pay-out curve is defined:

- If the defined target is achieved, the pay-out is equal to the at-target percentage times base salary times the weight assigned to the respective goal
- A minimum floor is set for each goal; an achievement below this threshold results in no pay-out
- Over-performance results in a pay-out exceeding 100%, where the maximum achievement is capped at 200% of the 'at-target' weighting of the respective goal
- Between floor and target respectively target and cap, a linear calculation determines the achievement and pay-out



In case of a fatality during the year, the Safety target will not result in a pay-out. If the achieved Adjusted EBITDA is below 75% of the budgeted Adjusted EBITDA, no STI payment will be made, regardless of the achievements against the other goals.

### STI target definition and achievement

Post-merger financial targets were set for the second half of the year. The performance of the Perfumery & Beauty and Taste businesses remained strong, while Ingredients Solutions showed resilience. The Animal Nutrition & Health as well as the Health, Nutrition & Care businesses were impacted by record low vitamin prices and continued destocking. Considering the combined result of the businesses, the sales growth target as well as the target on Adjusted EBITDA were not achieved. Cash flow generation resulted in an achievement above target, as did Merger G&A cost synergies.

The overall Safety performance improved slightly compared to combined pre-merger levels. The achievement fell short of the target but reached the pay-out floor.

Our workforce has shown continued strong engagement, resulting in overachievement on the Engagement KPI versus target.

The achievement on the 2023 STI goals set for the second half of financial year 2023 resulted in a pay-out (to be effectuated April 2024) as included in the below table.

### STI pay-out 2023 – Audited

	€	CHF Value
CEO Dimitri de Vreeze	841,875	779,576
Total Executive Committee excl. CEO	2,289,292	2,119,884
Members ExCo for part of reporting period	841,875	779,576
<b>Total Executive Committee</b>	<b>3,973,042</b>	<b>3,679,036</b>

### Long-Term incentive (LTI)

In view of the merger, it was decided to postpone the 2023 grant to 31 July 2023 (regular grant date 31 March). The performance period starts on the same date and ends on 31 December 2025. The vesting is set for 31 March 2026. PSUs have been granted to the Members of the Executive Committee. On an annual basis, the at-target LTI opportunity for the CEO is set at 200% of base salary (vesting is capped at 150% of the number of PSUs granted at-target). For the other Members of the Executive Committee, the at-target grant is set at 120% of base salary (vesting is capped at 150% of the number of PSUs granted at-target) or at 100% of base salary (vesting is capped at 200% of the number of PSUs Units granted at-target).

The 2023 grant is implemented by dividing the at-target grant value (% of base salary) by the average opening price of the dsm-firmenich share on the Amsterdam stock exchange in June 2023 (i.e., €97.38). The table below provides an overview of the number of share units granted, the face value (opening price on the date of grant) of such grant as well as the fair value (acc. to IFRS rules) of such grant.



### Overview 2023 LTI grant – Audited

	Number of PSUs granted	Face value		Fair value	
		€	CHF Value	€	CHF Value
CEO Dimitri de Vreeze	27,727	2,795,991	2,589,088	2,708,096	2,507,697
Total Executive Committee excl. CEO	49,428	4,984,320	4,615,480	4,827,633	4,470,388
Members ExCo for part of reporting period	10,783	1,087,358	1,006,894	1,053,176	975,241
<b>Total Executive Committee</b>	<b>87,938</b>	<b>8,867,669</b>	<b>8,211,462</b>	<b>8,588,905</b>	<b>7,953,326</b>

The grant is provided in PSUs, subject to the goals and targets included in the table below.

### Overview goals 2023 LTI grant

Goal Type	Goal	Weight	Definition
Financial goals (Weight: 50%)	Total Shareholder Return (TSR)	25%	Sum of capital gain and dividends paid, representing the total return to shareholders; the relative ranking (within the peer group) reflects the overall performance relative to our peers
	Core Return on Capital Employed (CROCE)	25%	Operating profit as percentage of weighted average capital employed adjusted for depreciation and amortization of merger related accounting adjustments and Alternative Performance Measures (APM) Adjustments
Sustainability goals (50%)	Absolute greenhouse gas reduction	25%	Absolute greenhouse gas reduction of Scope 1 and 2 emissions aligned with the new SBTi validated target line of dsm-firmenich
	Diversity and Inclusion	25%	% of gender and ethnic diversity of dsm-firmenich global management team

For each goal, a pay-out curve is defined:

- If the defined target is achieved, the vesting shall be equal to the number of granted PSUs at-target times the weight assigned to the respective goal
- A minimum floor is set for each goal; an achievement below this threshold results in no vesting related to the respective goals
- Over-performance results in a vesting exceeding the at-target level, where the maximum achievement is capped at 150% or 200% of the at-target weighting of the respective goal
- Between floor and target and cap, a linear calculation determines the achievement and vesting



### Targets and vesting scheme 2023 LTI grant

The below scheme provides an overview of the targets and their vesting scheme of the 2023 LTI grant.

<p><b>Vesting formula TSR</b></p> <p>Compared to peer group, if dsm-firmenich TSR is</p> <ul style="list-style-type: none"> <li>• Below median: No vesting</li> <li>• @ median: Floor (80% vesting)</li> <li>• @ 60<sup>th</sup> percentile: Target (100% vesting)</li> <li>• ≥ 80<sup>th</sup> percentile: Cap (150% or 200% vesting)</li> </ul>															
<p><b>Vesting formula reduction of greenhouse gas emissions</b></p> <p>If dsm-firmenich GHG reduction over the 2023–2025 is</p> <ul style="list-style-type: none"> <li>• &lt; 11.5% No vesting</li> <li>• ≥ 11.5% Floor (50% vesting)</li> <li>• Equals 14% Target (100% vesting)</li> <li>• ≥ 17.5% Cap (150% or 200% vesting)</li> </ul>															
<p><b>Vesting formula Diversity and Inclusion</b></p> <p>If female/non-binary ratio and ethnicity ratio at the end of the performance period is</p> <table border="0"> <thead> <tr> <th>Fem./non-binary</th> <th>Ethnicity</th> <th></th> </tr> </thead> <tbody> <tr> <td>• &lt; 35%</td> <td>&lt; 40%</td> <td>No vesting</td> </tr> <tr> <td>• 35%</td> <td>40%</td> <td>Floor (50% vesting)</td> </tr> <tr> <td>• 36%</td> <td>41%</td> <td>Target (100% vesting)</td> </tr> <tr> <td>• ≥ 37%</td> <td>≥ 42%</td> <td>Cap (150% or 200% vesting)</td> </tr> </tbody> </table>	Fem./non-binary	Ethnicity		• < 35%	< 40%	No vesting	• 35%	40%	Floor (50% vesting)	• 36%	41%	Target (100% vesting)	• ≥ 37%	≥ 42%	Cap (150% or 200% vesting)
Fem./non-binary	Ethnicity														
• < 35%	< 40%	No vesting													
• 35%	40%	Floor (50% vesting)													
• 36%	41%	Target (100% vesting)													
• ≥ 37%	≥ 42%	Cap (150% or 200% vesting)													
<p><b>Vesting formula Core ROCE</b></p> <p>If Core ROCE is</p> <ul style="list-style-type: none"> <li>• &lt; 7% No vesting</li> <li>• ≥ 7% Floor (50% vesting)</li> <li>• 8% Target (100% vesting)</li> <li>• ≥ 9% Cap (150% or 200% vesting)</li> </ul>															

### Total remuneration

With reference to the remarks made in the chapter on Currency, the total remuneration excluding social security contributions to the Members of the Executive Committee amounts to €20,418,000.

No loans were provided to Members of the Executive Committee, while no payments have been made by any subsidiary of the Company. Neither DSM-Firmenich AG nor any of its subsidiaries made payments to Associated Persons of Members of the Executive Committee (*Audited*).



## Total remuneration Executive Committee 2023 (from 18 April until 31 December 2023) – Audited

In €	Base salary	Pension contri. <sup>1</sup>	Other benefits <sup>2</sup>	Total Fixed Remuneration	Short-Term Incentive (STI) <sup>3</sup>	Number of PSUs granted <sup>4</sup>	Face value at grant <sup>5</sup>	Total Variable Remuneration	Remune. excl. social security contri.	Social security contri. <sup>6</sup>	Total Remuneration
Dimitri de Vreeze, CEO	976,321	127,573	141,210	1,245,104	841,875	27,727	2,795,991	3,637,866	4,882,970	10,613	4,893,583
ExCo members, excl. CEO	3,267,178	543,720	899,076	4,709,974	2,289,292	49,428	4,984,320	7,273,612	11,983,586	347,816	12,331,402
Members ExCo for part of reporting period	1,153,693	126,687	341,831	1,622,211	841,875	10,783	1,087,358	1,929,233	3,551,444	111,657	3,663,101
<b>Total ExCo</b>	<b>5,397,192</b>	<b>797,980</b>	<b>1,382,117</b>	<b>7,577,289</b>	<b>3,973,042</b>	<b>87,938</b>	<b>8,867,669</b>	<b>12,840,711</b>	<b>20,418,000</b>	<b>470,086</b>	<b>20,888,086</b>

CHF Value	Base salary	Pension contri. <sup>1</sup>	Other benefits <sup>2</sup>	Total Fixed Remuneration	Short-Term Incentive (STI) <sup>3</sup>	Number of PS granted <sup>4</sup>	Face value at grant <sup>5</sup>	Total Variable Remuneration	Remune. excl. social security contri.	Social security contri. <sup>6</sup>	Total Remuneration
Dimitri de Vreeze, CEO	904,073	118,133	130,760	1,152,966	779,576	27,727	2,589,088	3,368,664	4,521,630	9,828	4,531,458
ExCo members, excl. CEO	3,025,407	503,485	832,544	4,361,436	2,119,884	49,428	4,615,480	6,735,364	11,096,800	322,078	11,418,878
Members ExCo for part of reporting period	1,068,320	117,312	316,536	1,502,168	779,576	10,783	1,006,894	1,786,470	3,288,638	103,394	3,392,032
<b>Total ExCo</b>	<b>4,997,800</b>	<b>738,930</b>	<b>1,279,840</b>	<b>7,016,570</b>	<b>3,679,036</b>	<b>87,938</b>	<b>8,211,462</b>	<b>11,890,498</b>	<b>18,907,068</b>	<b>435,300</b>	<b>19,342,368</b>

1 Employer contributions to pension plans.

2 Health and welfare benefits, company car and other benefits, incl. international assignment benefits if applicable.

3 Short-Term Incentive (STI); annual cash settled incentive, accrued in reporting period based on performance in the reporting period, payable in 2024.

4 Performance Share Units granted 31 July 2023, to vest 31 March 2026.

5 Face value at grant – number of PSUs granted times opening price at grant date. For the total number of PSUs granted, the fair value used for accounting purposes in accordance with the International Financial Reporting Standards (IFRS) amounts to €8,588,905 (CHF Value: 7,953,326).

6 Social security contributions by the Employer based on 2023 remuneration.

## Shareholding obligation

In addition to the vested performance shares under the dsm-firmenich Long-Term Incentive plan (or equity-based plans applicable at Royal DSM), Members of the Executive Committee invested in dsm-firmenich stock. These shares were bought through private transactions with private funds. The below table provides an overview of the number of shares held at year-end by the Members of the Executive Committee (including Associated Persons). The CEO significantly exceeds the shareholding obligation (300% of base salary). Depending on whether the legacy company had a cash-settled (Firmenich) or equity-settled (DSM) Long-Term Incentive plan, various other Members of the Executive Committee exceed the shareholding obligation (100% of base salary).

## Shareholding Executive Committee – Audited

### Number of Shares held on 31 December 2023

Dimitri de Vreeze (Chief Executive Officer)	82,453
Emmanuel Butstraen (President Perfumery & Beauty and Chief Integration Officer)	-
Mieke Van de Capelle (Chief Human Resources Officer)	-
Philip Eykerman (President Health Nutrition & Care)	75,073
Ivo Lansbergen (President Animal Nutrition & Health)	3,895
Patrick Niels (President Taste, Texture & Health)	10,998
Sarah Reisinger (Chief Science & Research Officer)	-
Jane Sinclair (Chief Legal, Risk and Compliance Officer)	-
Ralf Schmeitz (Chief Financial Officer)	1,301
<b>Total</b>	<b>173,720</b>



## Compensation voting

The General Meeting of Danube AG (renamed DSM–Firmenich AG) on 18 April 2023 approved a maximum total amount of remuneration for the Executive Committee of €37.5 million for the period from 18 April 2023 to 31 December 2023. In establishing the amount, the Assumed Fx rate (EUR 1 = CHF 1) was considered.

The approved maximum total amount of remuneration includes the fixed base salary, benefits, and the maximum STI that can be achieved. Regarding the LTI, the amount included represents the at target value of the grant as a percentage of Annual Base Salary. The number of PSUs is calculated considering the average share price over a reference period. Therefore, the approved maximum amount includes an amount to offset an eventual appreciation of the share price on the grant date compared to the reference period (average price over June 2023). An amount of €2.8 million is included for other and unforeseen items. This amount concerns, among others, obligations toward Executive Committee Members following international assignment arrangements agreed by the legacy companies prior to the appointment to the Executive Committee of dsm–firmenich and will otherwise be used to cover unforeseen circumstances such as changes in regulatory requirements.

The approved amount does not include the company–related portion of contributions to social security systems paid in line with applicable laws and regulations in any geography, nor does it include foreign exchange rate fluctuations.

Obligations towards Executive Committee Members confirmed by the legacy companies prior to the appointment into the Executive Committee of dsm–firmenich are not included in the approved amount. This includes but is not limited to special payments by Royal DSM and Firmenich SA as referred to in the Offering Circular (issued 22 November 2022) or the vesting or exercise of Long–Term Incentives granted prior to the Settlement Date (as such term is defined in the Offering Circular).

## Approved maximum total amount of remuneration and actual remuneration Executive Committee<sup>1</sup> from 18 April until 31 December 2023 – Audited

x thousand	Approved maximum remuneration		Actual remuneration excluding social security contributions	
	€	CHF	€	CHF
Total Remuneration Assumed Fx rate	37,500	37,500	19,841	19,841
Total Remuneration Average Fx rate	38,590	37,500	20,418	19,841

x thousand	Approved maximum remuneration	Actual remuneration excluding social security contributions
	€	€
Fixed remuneration & Benefits Average Fx rate	11,180	7,145
Maximum STI accrued over 2023 Average Fx rate	11,592	3,973
LTI (face value at grant date) Average Fx rate	13,063	8,868
Other and unforeseen Average Fx rate	2,755	432
<b>Total remuneration Average Fx rate</b>	<b>38,590</b>	<b>20,418</b>

<sup>1</sup> Includes the CEO, the Members of the Executive Committee as at 31 December 2023 and Members of the Executive Committee who stepped down or were appointed in 2023.

As the above table demonstrates, the total remuneration excluding social security contributions provided in 2023 to all Members of the Executive Committee (including Members who stepped down or were appointed in 2023) amounts to €20,418 million and remains within the approved maximum total amount of remuneration €38,590 million. Against the Average Fx rate, the total remuneration provided in 2023 amounts to CHF19,841 million.



## Other mandates

According to Article 22 of the Articles of Association, the Members of the Board of Directors and the Executive Committee may accept mandates outside dsm-firmenich subject to defined limitations. A Member of the Board of Directors shall hold no more than up to four mandates in listed firms and up to four mandates in non-listed firms. A Member of the Executive Committee shall hold no more than one mandate in listed firms and up to three mandates in non-listed firms. The below overview concerns the other mandates with listed or non-listed firms with an economic interest held by the Members of the Board of Directors and the Executive Committee.

### Overview other mandates – Audited

<p><b>Thomas Leysen</b></p> <ul style="list-style-type: none"> <li>– Umicore (L)<sup>1</sup>: Non-Executive Chair of the Supervisory Board</li> <li>– Mediahuis (N)<sup>2</sup>: Non-Executive Chair of the Board</li> </ul>	<p><b>Patrick Firmenich</b></p> <ul style="list-style-type: none"> <li>– UBS AG (L): Non-Executive Director</li> </ul>
<p><b>Sze Cotte-Tan</b></p> <ul style="list-style-type: none"> <li>– Singapore Institute of Food and Biotechnology, A*STAR Research Entities (N): Executive Director</li> <li>– Foodplant, a subsidiary of the Singapore Institute of Technology (N): Non-Executive Chair</li> <li>– Clay Capital (N): Member of the Advisory Committee</li> </ul>	<p><b>Antoine Firmenich</b></p> <ul style="list-style-type: none"> <li>– Aquilus Pdt Ltd (Singapore) (N): Managing Director</li> <li>– Aquilus Management Ltd (Bermuda) (N): Executive Director</li> <li>– Alatus Capital (N): Co-Founder &amp; Non-Executive Director</li> </ul>
<p><b>Erica Mann</b></p> <ul style="list-style-type: none"> <li>– Kellanova (L): Non-Executive Board member</li> <li>– Perrigo Company (L): Non-Executive Board member</li> </ul>	<p><b>Carla Mahieu</b></p> <ul style="list-style-type: none"> <li>– Arcadis (L): Non-Executive Board member</li> <li>– VodafoneZiggo Group B.V. Netherlands (N): Non-Executive Director</li> </ul>
<p><b>Frits van Paasschen</b></p> <ul style="list-style-type: none"> <li>– Williams Sonoma (L): Non-Executive Director</li> <li>– Sonder (L): Non-Executive Director</li> <li>– Amadeus IT Group (L): Non-Executive Director</li> <li>– CitizenM Hotels (N): Non-Executive Director</li> <li>– J Crew Group (N): Non-Executive Director</li> </ul>	<p><b>Pradeep Pant</b></p> <ul style="list-style-type: none"> <li>– Max India Ltd. (L): Non-Executive Director</li> <li>– Pant consulting Pte Ltd (N): President</li> <li>– NIVA BUPA Health Insurance Co. Ltd.(N): Non-Executive Director</li> <li>– Nurasa Holding Pte Ltd and Nurasa Pte Ltd (N): Chair of the Board</li> <li>– Antara Senior Living &amp; MAX Life Insurance Co. Ltd (N): Non-Executive Director</li> </ul>
<p><b>André Pometta</b></p> <ul style="list-style-type: none"> <li>– White Lobster (N): Non-Executive Director</li> <li>– Noyb SA (+affiliates) (N): Non-Executive Director</li> </ul>	<p><b>John Ramsay</b></p> <ul style="list-style-type: none"> <li>– RHI Magnesita N.V. (L): Non-Executive Director</li> <li>– Croda International PLC (L): Non-Executive Director</li> <li>– Nabcock International PLC (L): Non-Executive Director</li> </ul>
<p><b>Richard Ridinger</b></p> <ul style="list-style-type: none"> <li>– Brenntag SE (L): Chair of the Supervisory Board</li> <li>– Recipharm AB (N): Chairman of the Board</li> <li>– Novo Holdings (N): Member of the Advisory Board</li> </ul>	<p><b>Corien Wortmann</b></p> <ul style="list-style-type: none"> <li>– Aegon N.V. (L): Non-Executive Vice Chair of the Board</li> </ul>
<p><b>Mieke van de Capelle</b></p> <ul style="list-style-type: none"> <li>– Spadel (L): Non-Executive Director</li> </ul>	

1 Listed company.

2 Non-listed company.

## Outlook

At the 2024 General Meeting of Shareholders, shareholders will be asked to vote on the total maximum amount of remuneration both for the Board of Directors for the period until the 2025 AGM and for the Executive Committee for the financial year 2025. For now, no major changes are expected. Furthermore, at the 2024 AGM an advisory vote is requested for the 2023 Compensation Report. We will continue to seek the dialogue with investors and other stakeholders and will keep monitoring societal trends and market practices.





# Report of the statutory auditor

To: the General Meeting of DSM-Firmenich AG, Kaiseraugst.

## Report on the Audit of the Compensation Report Opinion

We have audited the Compensation report of DSM-Firmenich AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables and disclosures marked 'audited' on pages 174 to 189 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company's articles of incorporation.

### Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's Responsibilities for the Audit of the Compensation Report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables and disclosures marked 'audited' in the Compensation Report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Board of Directors' Responsibilities for the Compensation Report

The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

### Auditor's Responsibilities for the Audit of the Compensation Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Petra Groenland van der Linden

Licensed Audit Expert

Auditor in Charge

Carlos Alvarez

Licensed Audit Expert

Basel, 28 February 2024

