

DSM: a transformation journey to a purpose-led company

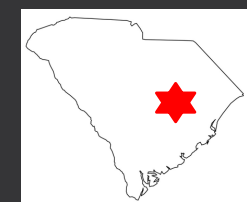
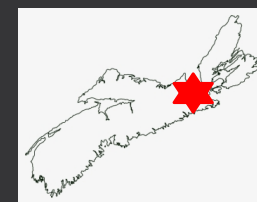
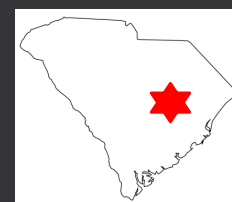
Daan Verkoeijen

Denison Global Forum



DSM

BRIGHT SCIENCE. BRIGHTER LIVING.



What is purpose?



noun

the reason for which something is done or created or for which something exists.
"the purpose of the meeting is to appoint a trustee"



To deliver breakthroughs that change patients' lives



To help build a better world, where every person is free to move and pursue their dreams.



Connecting people through food they love.



Refresh the world. Make a difference.



Creating better days and a place at the table for everyone through our trusted food brands.



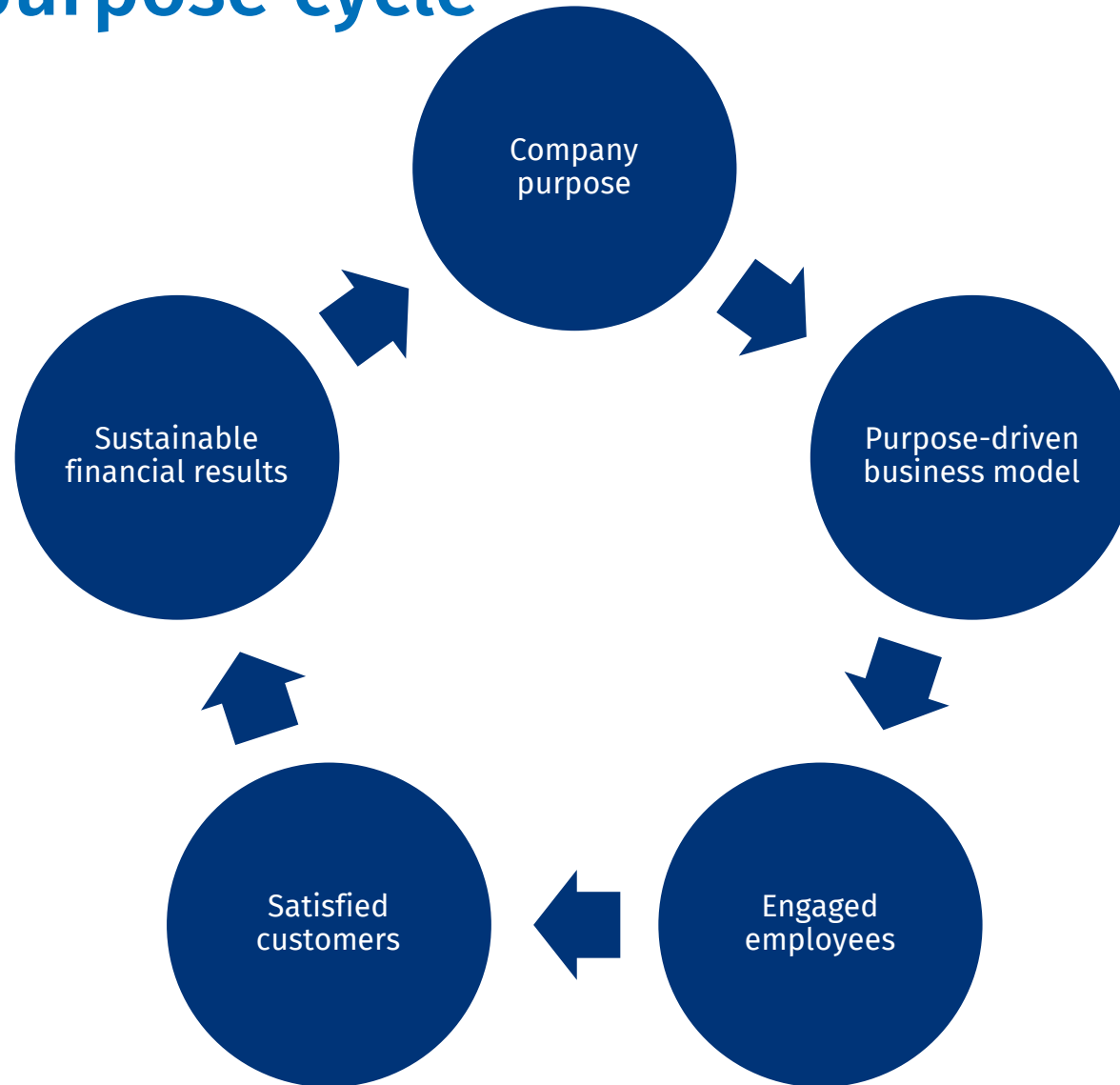
Connecting people. Uniting the world.



Corporate evolution



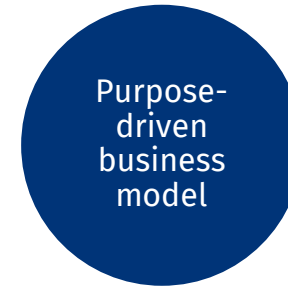
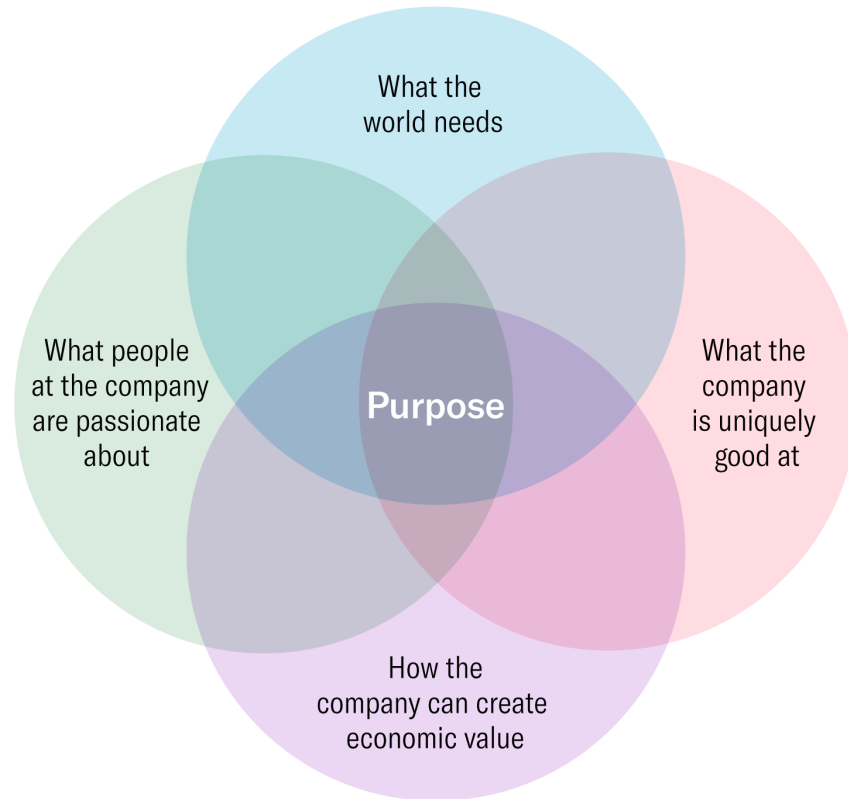
The virtuous purpose cycle



The virtuous cycle

Looking for Your Company's Purpose

It lies at the intersection of these four circles.



“The heart of business is the idea of pursuing a **noble purpose**, putting people at the center, creating the environment where you can release that human magic, embrace all stakeholders, and treat profit as an outcome.”

The virtuous cycle

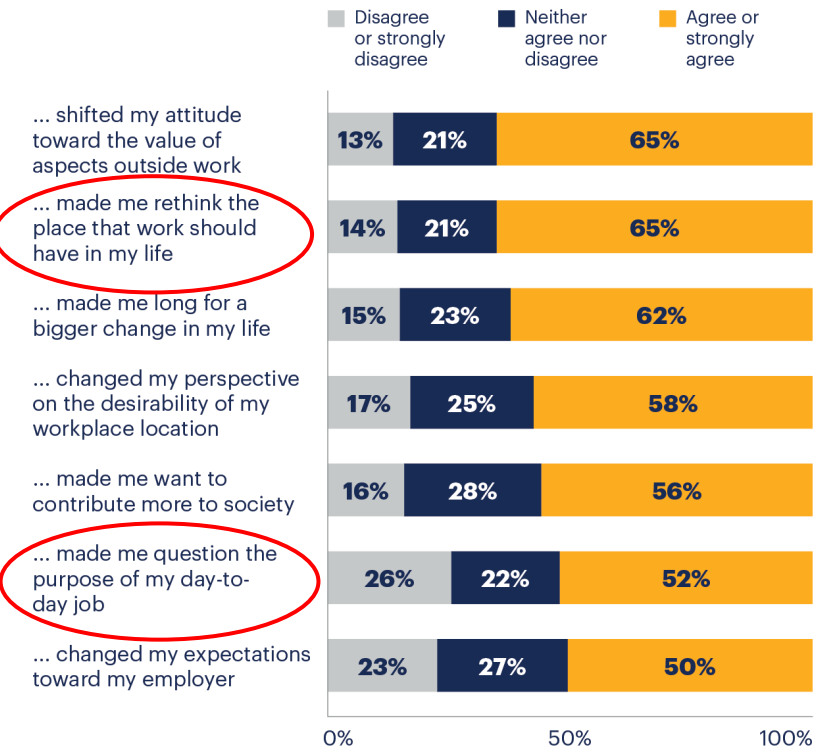
Engaged employees

The Cone Communications Millennial Employee Study found that 64% of Millennials won't take a job if their employee doesn't have a **strong CSR policy**

A recent McKinsey survey on employee resignation and recruitment found that “**Lack of meaningful work**” was the number 4 reason for leaving a job and the number 5 reason for deciding to join.

What Employees Say About How the Pandemic Has Changed Their Feelings About Work and Life

The pandemic has ...



gartner.com

n = 3,515
Source: Gartner 2021 Hybrid and Return to Work Survey
Note: Percentages may not add up to 100% because of rounding.
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Gartner

The virtuous cycle



The Cone/Porter Novelli survey found that 66% would switch from a product they typically buy, to a new product from a **Purpose-driven** company. This figure goes up to 91% when Millennials (born 1980–1994) are polled.

Deloitte's Retail Trends 2020 report, which outlines the top six retail trends for the coming year, found that an “**authentic purpose** is now as important as digital to the next generation of customers.”

According to the Edelman Earned Brand study, 50% of consumers across 14 major markets, including the U.S., China, India, Mexico, U.K., The Netherlands, Germany, Brazil, Japan and more, are **belief-driven** buyers, and they skew younger, with higher percentages among Millennials (60%) and Gen-Z (53%).

Nielsen found that 2 in 3 consumers will pay more for products and services from brands that are committed to making a **positive social impact**.

The virtuous cycle




Larry Fink's 2022 Letter to CEOs - quotes



In today's globally interconnected world, a company must create value for and **be valued** by its full range of stakeholders in order to deliver long-term value for its shareholders.

It's never been more essential for CEOs to have a consistent voice, a clear **purpose**, a coherent strategy, and a long-term view. Your company's purpose is its north star in this tumultuous environment.

Putting your company's **purpose** at the foundation of your relationships with your stakeholders is critical to long-term success. Employees need to understand and connect with your purpose; and when they do, they can be your staunchest advocates. Customers want to see and hear what you stand for as they increasingly look to do business with companies that share their values.



“How can we call
ourselves successful
in a world that fails?”

Feike Sijbesma
CEO of Royal DSM (2007-2020)

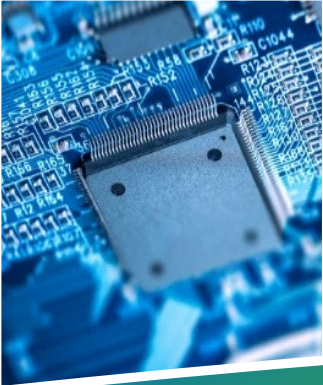
More than a century of successful transformation

Coal mining

(Petro)chemicals

Nutrition, Health
& Sustainable Living

Health, Nutrition,
& Bioscience



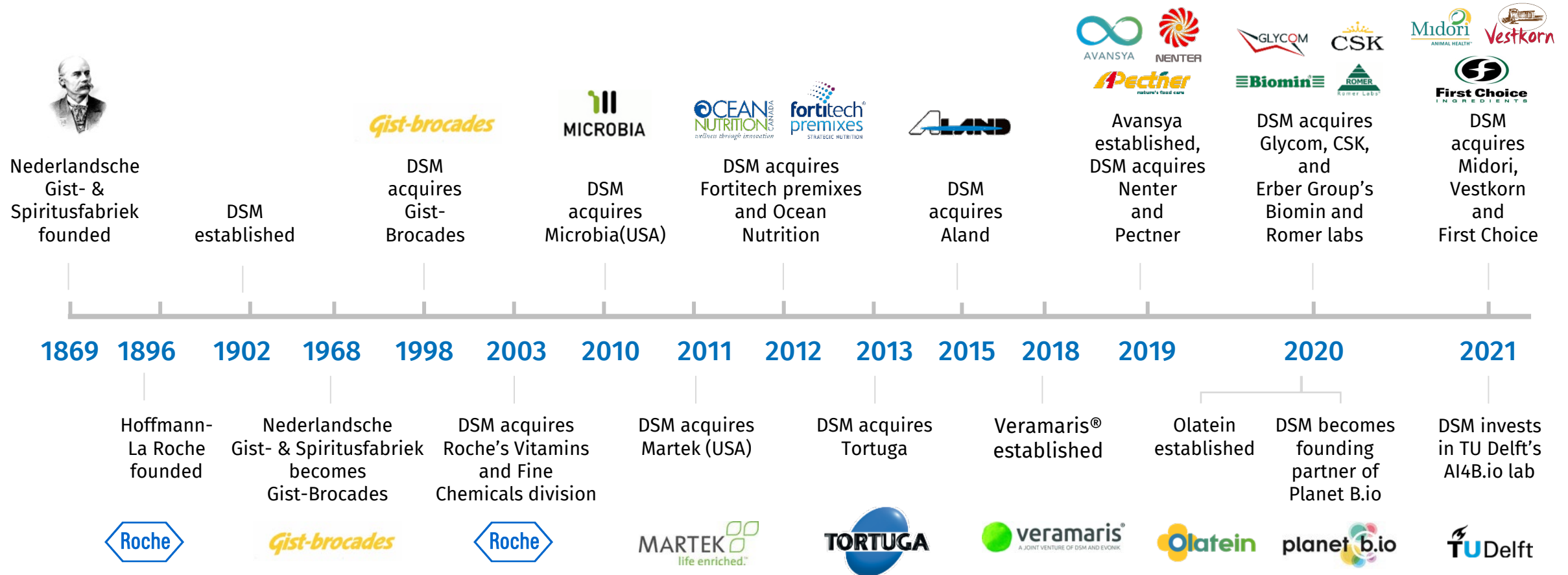
2022



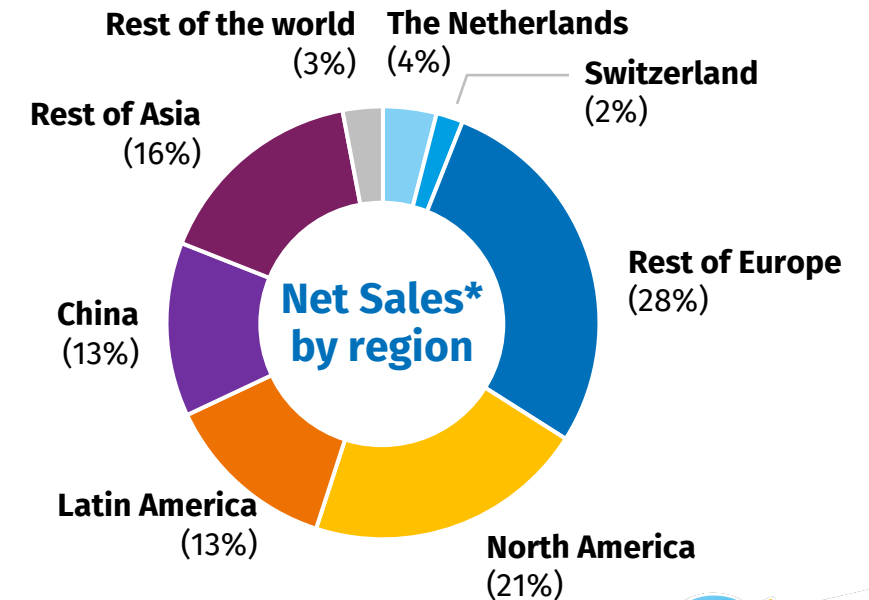
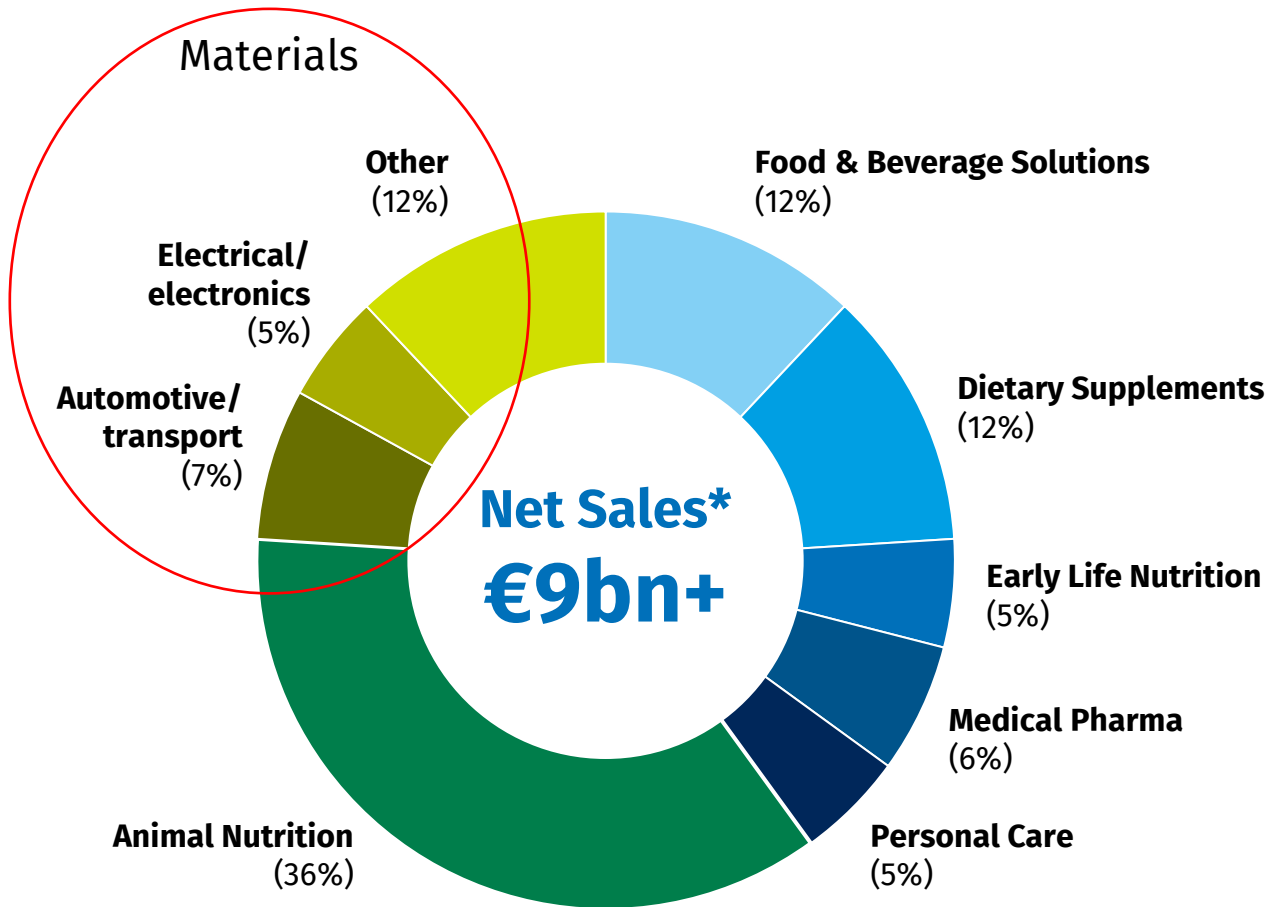
1902



Transformation through acquisitions and partnerships



Today's global leader in Health, Nutrition & Biosciences



Our purpose is to create brighter lives for all

DSM solutions already reach more than 2.5 billion people



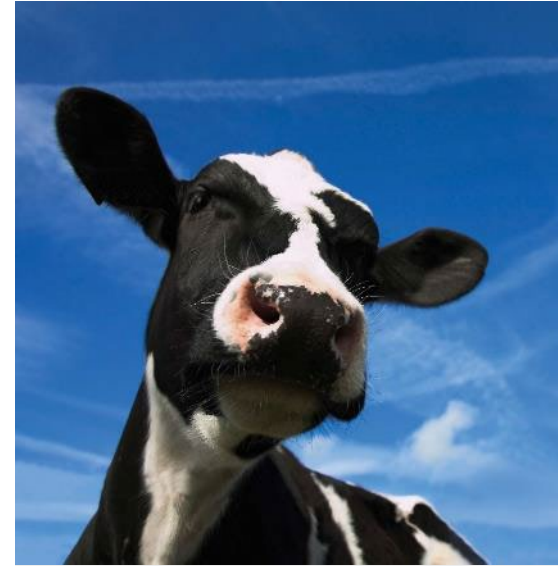
Accelerating our purpose-led, performance-driven journey



Global food systems face multiple urgent environmental and societal **challenges**



DSM has the **capability** and the **responsibility** to make a meaningful impact



DSM is fully focusing its resources on **Health, Nutrition & Bioscience**



Addressing these challenges offers **exciting new market opportunities** for DSM

Multiple interconnected challenges to global food systems



Health for People



(Hidden) Hunger and malnutrition



Diet-related illnesses, non-communicable disease, obesity



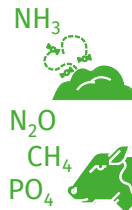
Vitamin and mineral deficiencies



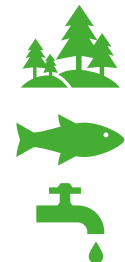
Immunity incl. anti-microbial resistance



Health for Planet



Emissions, incl. green house gasses (e.g. methane), nitrogen, ammonia and phosphorus



Loss of **biodiversity**, **deforestation**, **land** and **ocean ecosystem** loss



Food loss & waste



Healthy Livelihoods



Inequality



Farmers unable to generate a **fair and stable income** in the value chain



Lacking **basic needs** such as food, healthcare and education

Food systems commitments



HEALTH FOR PEOPLE

Our commitments for 2030
Enable to close the micronutrient gaps of 800 million vulnerable people.
Achieved, for example, by scaling up fortified staple foods and public health supplements through school feeding programs and workforce nutrition together with our partners; plus the introduction of fortified staple foods.
Support the immunity of half a billion people.
Achieved by continuing to develop dietary supplement innovations like ampli-D® - which delivers vitamin D three times faster than before.





HEALTH FOR PLANET

Our commitments for 2030
Enable double-digit 'on-farm' live-stock emission reductions
Emission reduction in dairy, swine and poultry achieved through various innovations, including Bovaer®, a feed additive proven to cut methane emissions in cattle by 30%
Reach 150 million people with nutritious, sustainable plant-based protein foods
Achieved through unique ingredients for plant-based meat, fish and dairy alternatives.





HEALTHY LIVELIHOODS

Our commitment for 2030
Support the livelihoods of 500,000 smallholder farmers across value chains together with partners
Achieved by scaling up our long-standing Africa Improved Foods (AIF) private-public partnership in Rwanda to provide a better income for smallholders, while encouraging them to work more sustainably.



Healthy livelihoods – Africa improved foods



Reducing methane emissions - BOVAER®

- An estimated 14.5% of all human-caused greenhouse gas (GHG) emissions come from livestock, with nearly 65% of this figure originating from dairy and beef cattle.
- We have developed a feed supplement which has shown the ability to consistently reduce enteric methane in cattle by more than 30%.
- Granted EU marketing approval in February 2022
- Announced strategic alliance with Elanco for US in April 2022

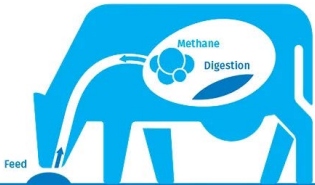


• Cows make methane

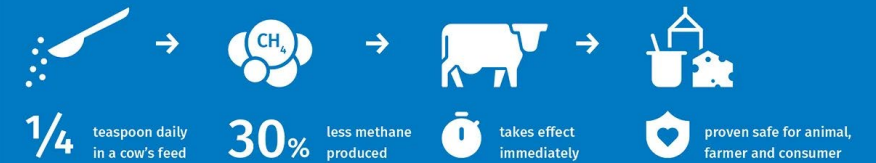
It's not their fault. Methane is a byproduct of digesting the tough, fibrous food they eat. And it's released into the air burp by burp.

• Methane traps heat

Like carbon dioxide (CO₂), methane is a greenhouse gas. Its warming effect is shorter lived, but much more potent than CO₂. So eliminating it begins to pay off right away.



• Bovaer® reduces methane



How it works

In a cow's stomach, microbes help food break down. This releases hydrogen and carbon dioxide. An enzyme combines these gases to form methane. Bovaer® is a feed additive that suppresses the enzyme, so less methane gets generated.

Bovaer® saves 1 tonne of CO₂ equivalent per cow every year



Feeding Bovaer® to 1 cow saves the equivalent of 127,000 smartphone charges.



Feeding Bovaer® to 3 cows is like taking 1 family-sized car off the road.



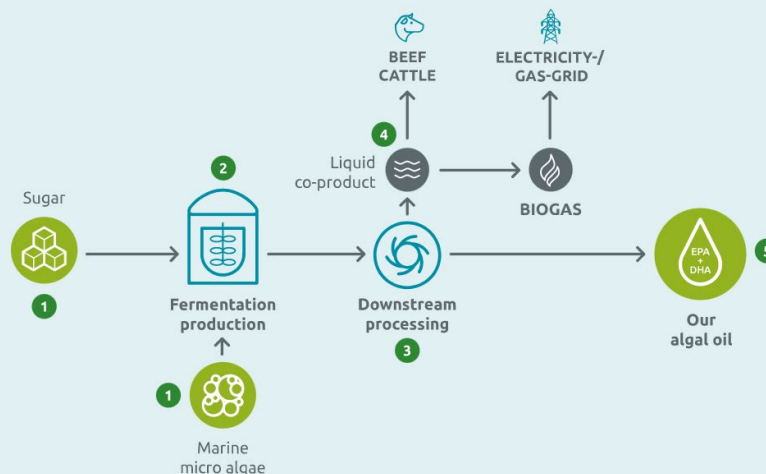
Feeding Bovaer® to 1 million cows is like planting a forest of 45 million trees.

Omega-3 from natural marine algae

- Veramaris – joint venture between DSM and Evonik
- Manufacturing of algal Omega-3 by fermentation
- Large-scale facility constructed in Blair, NE
- Can replace fish oil in feed for aquaculture

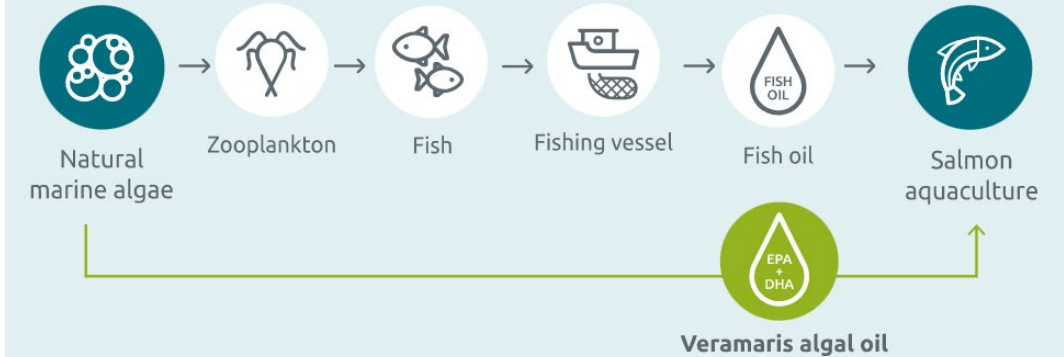


Producing omega-3 through waste-free fermentation



Skipping over the food chain

Current practice in aquaculture



Final words

