

Corporate Approach to Stakeholder Engagement

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“We cannot be successful nor can we call ourselves successful in a society that fails”

Feike Sijbesma,
Chairman of the
Managing Board



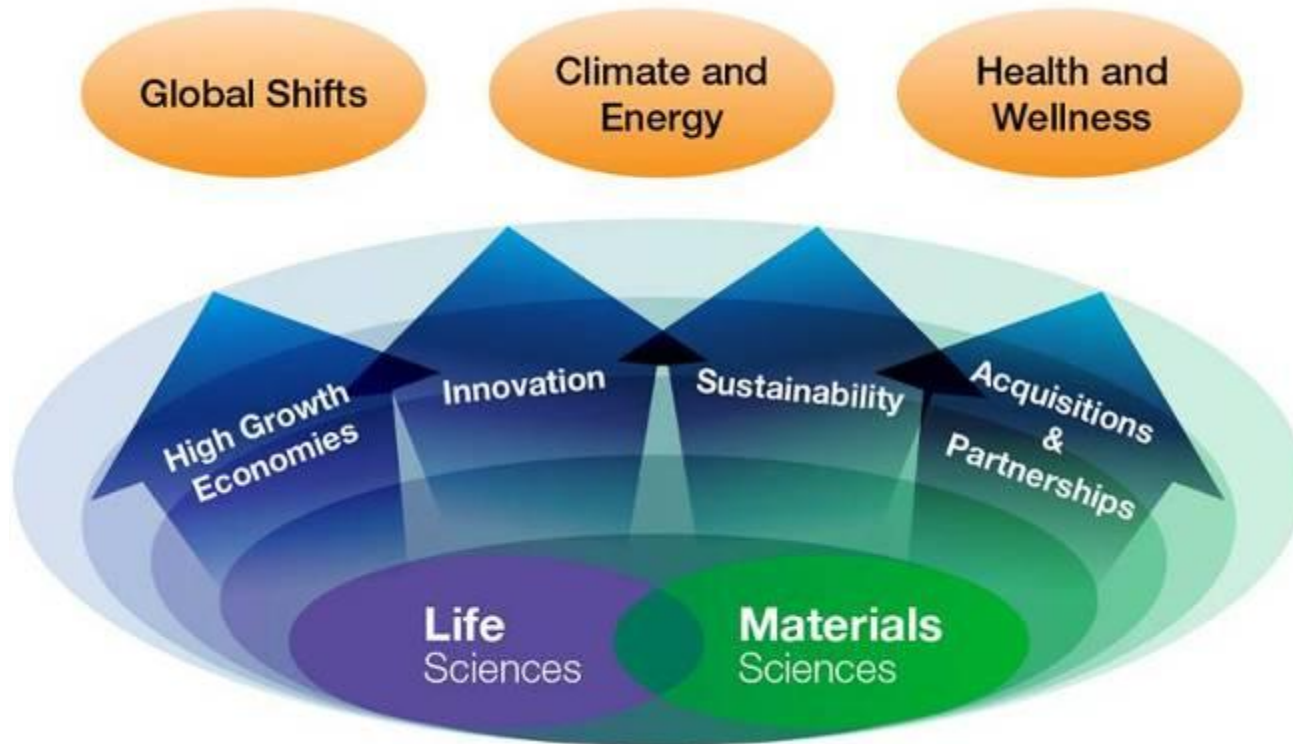
DSM Mission Statement

Our purpose is
to create brighter lives
for people today
and generations to come

We connect our unique competences
in life sciences and materials sciences
to create solutions that nourish,
protect and improve performance



DSM in motion: driving focused growth



People - Planet - Profit: creating value along three dimensions

DSM's Increased Focus on Sustainability and a Truly Global Approach

Sustainability has been identified as a business growth driver and a general strategy to strengthen DSM regions is in place. The ambition is to have all regions contributing to the Sustainability aspirations outlined in the CEO Strategy.

Proud to have achieved

From responsible care

- Reduced GHG emissions
- DJSI and GRI recognition

To corporate responsibility

- UN World Food Programme collaboration
- Bio-based economy advocacy

Next level aspiration

To sustainability as business driver

- Deliver on three dimensions (Triple P)
- 80%+ of innovation to be ECO+
- 50% of running business sales ECO+
- Leading in People+ Products & diversity
- Integral part of all business activities
- Part of overall remuneration system

From responsibility to business driver

Growing Sustainable Business on strong foundation

Credible Sustainability Qualifiers

+

Sustainability Growth Drivers

Internal DSM Resp. Care Foundation

People

- SHE
- Diversity
- Employee Engagement Survey
- Vitality

Planet

- Greenhouse Gas emissions
- Energy Efficiency
- Water

Corporate Responsible Care

External DSM Sustainability Position

People+

Eco+

DSM Sustainability
Positioning

Creating Shared Value

Engaging with stakeholders

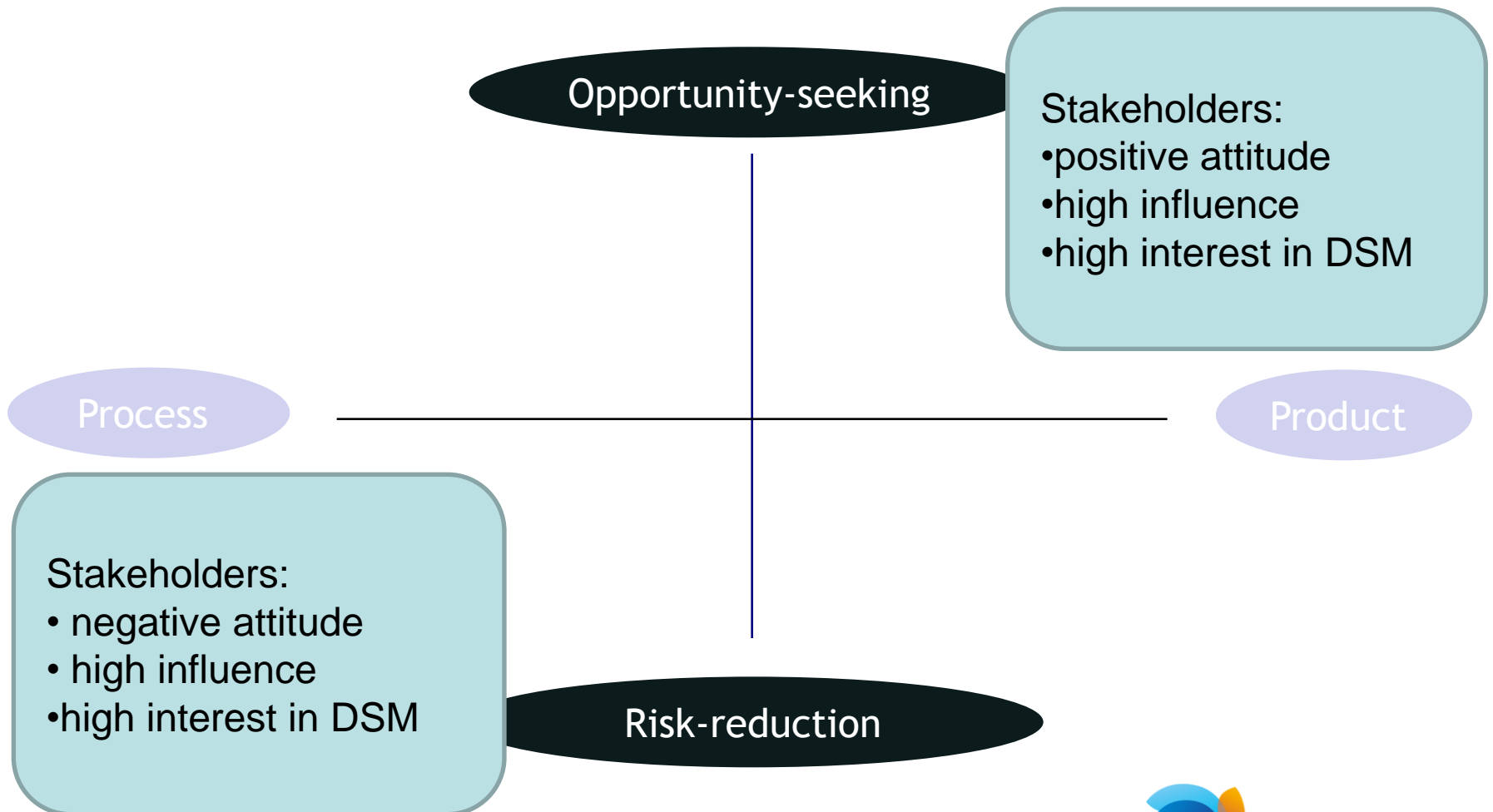
Why

- **Share** thoughts and views;
 - **Deepen** the company's insights into political, societal and customer trends, drivers and needs;
 - **Achieve advocacy** goals in a focused manner by engaging in political and societal debates on relevant DSM topics, preferably jointly with key stakeholders;
 - **Resolve** issues, receive endorsement and build trust (through public-private partnerships and new business models);
 - **Create** more value for these stakeholders and, by implication, for DSM.
- Leverage** implementation of DSM's strategy

Risks & Opportunities

- **Hidden hunger**
- **Food safety and quality**
- **Climate change**
- **Industrial (white) biotechnology**
- **Sustainable biomass**
- **Water management**
- **Community outreach**
- **Careers and employment**
- **Sustainable value chains**

Stakeholder management



Stakeholder mapping and prioritization

Keep Satisfied
& Try to increase level of interest

Manage closely
& Engage and consult regularly

POTENTIAL AGGRESSORS:

Highly credible but resistant to DSM engagement (e.g. Activists, campaigning NGOs)

POTENTIAL PARTNERS:

Key organisations for DSM to explore for engagement / partnership. (e.g. certain environment or development NGOs, institutions)

Stakeholder
Willingness to
ENGAGE

None

Limited

Significant

Open

Willing

FRINGE:

Watch this group as may evolve to have more influence. (e.g. single issue groups, radical NGOs)

Some

GOOD TO KNOW:

Good to keep this group engaged. May partner on projects but not highly influential with media/policymakers/ consumers (e.g. Certain shareholders, charitable partners, institutions.)

None

Stakeholder Level of
INFLUENCE on Issue

Monitor
& Inform via general communication

Keep informed
& Involve in low risk areas

Stakeholder engagement

**Commitment,
resources
and time**

PARTNERSHIP



Joint position on issues
Joint projects
Joint ventures via new
business models

DIALOGUE



Face to face meetings
Stakeholder panel
Advisory board
Facilitated dialogue
Consultations

INTERACT



Meetings / interviews
Presentations
Open Days
Sponsored events
On-line dialogue
Public meetings
Focus groups

RESPOND



Phone hot-line
Correspondence
Reactive meetings
Media briefings

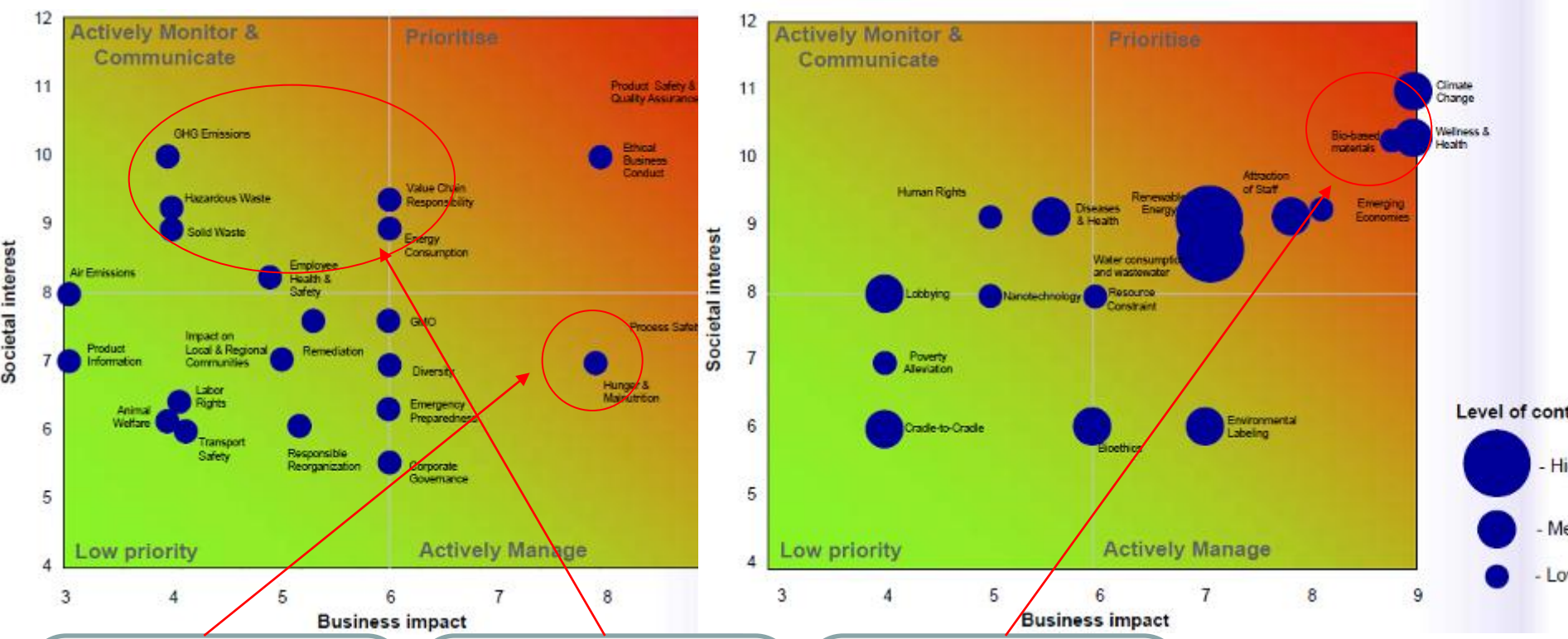
INFORM



Newsletters, Press
releases, Reports
Speeches, Advertising
Web-site

**Trust &
credibility**

General Stakeholders Issue analysis: core & framing issues



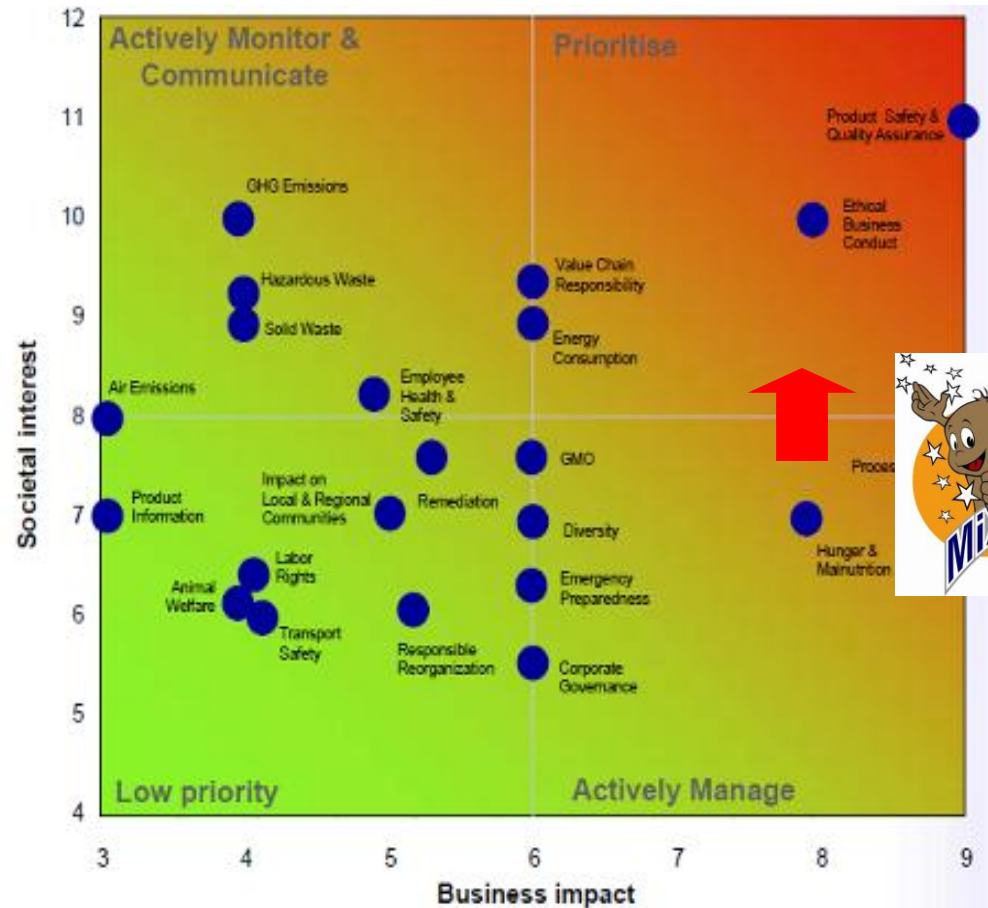
Hidden Hunger

Corporate Operations & Responsible Care

Bio-based Materials

Hidden Hunger and malnutrition

Actively Manage : Partnership to raise awareness & interest in malnutrition



WFP Objectives

- To increase public awareness and advocacy efforts
- To gain access to micronutrient know-how
- To secure additional funding

DSM Objectives

- Increase awareness and trust by **advocating** malnutrition
- Sustainability project aligned with business activities
- Develop** new business opportunities: innovative products

Hidden Hunger and malnutrition: Partnership WFP

Partnership Barriers and Challenges

- Time and manpower constraints
- Sharing and communication
- Difficulty reaching consensus among partners
- Limited knowledge of partner's internal processes

Partnership challenges are overcome by a joint commitment to the cause and goodwill on behalf of both partners.

Mitigation of Partnership Challenges

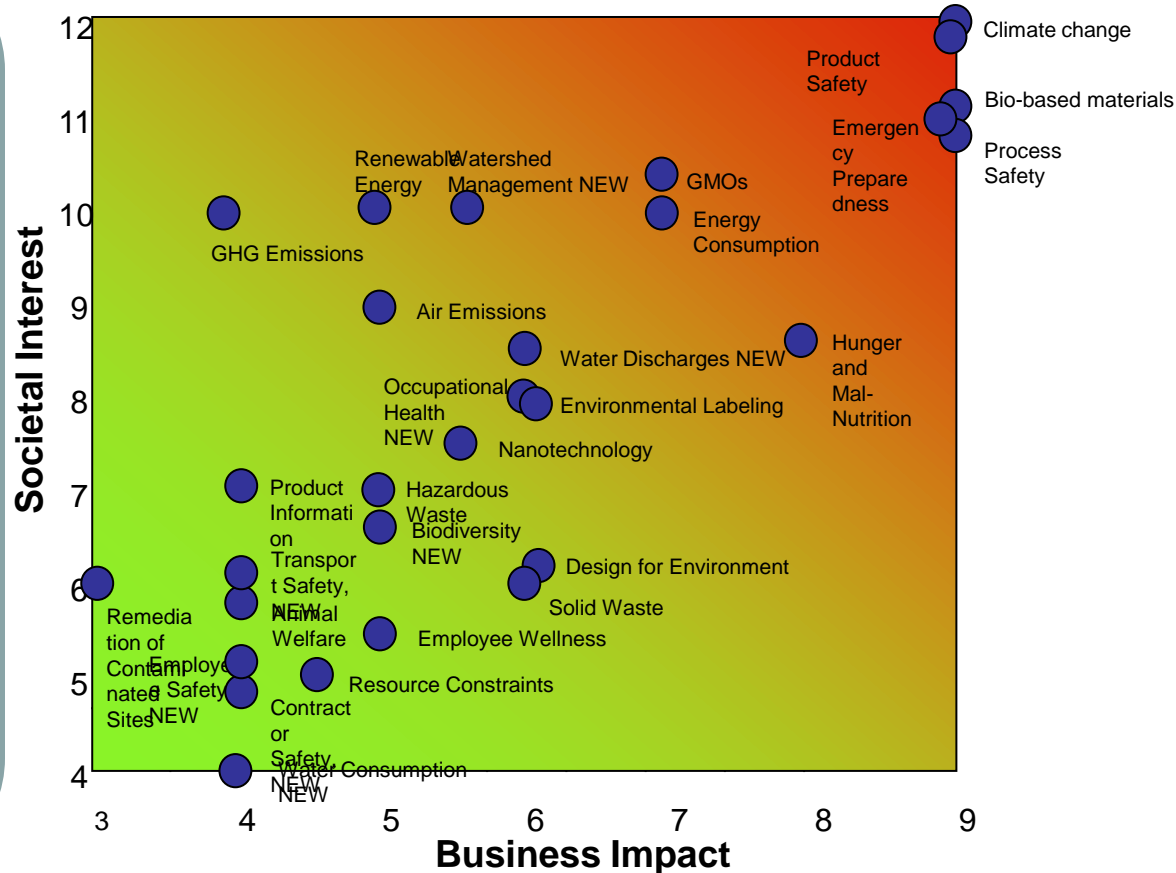
- Process documents
- Dedicated staff members
- Regular communication
- Management oversight

Challenges are mitigated by having clear documents and processes as well as open channels of communication.

Corporate Operations & Responsible Care

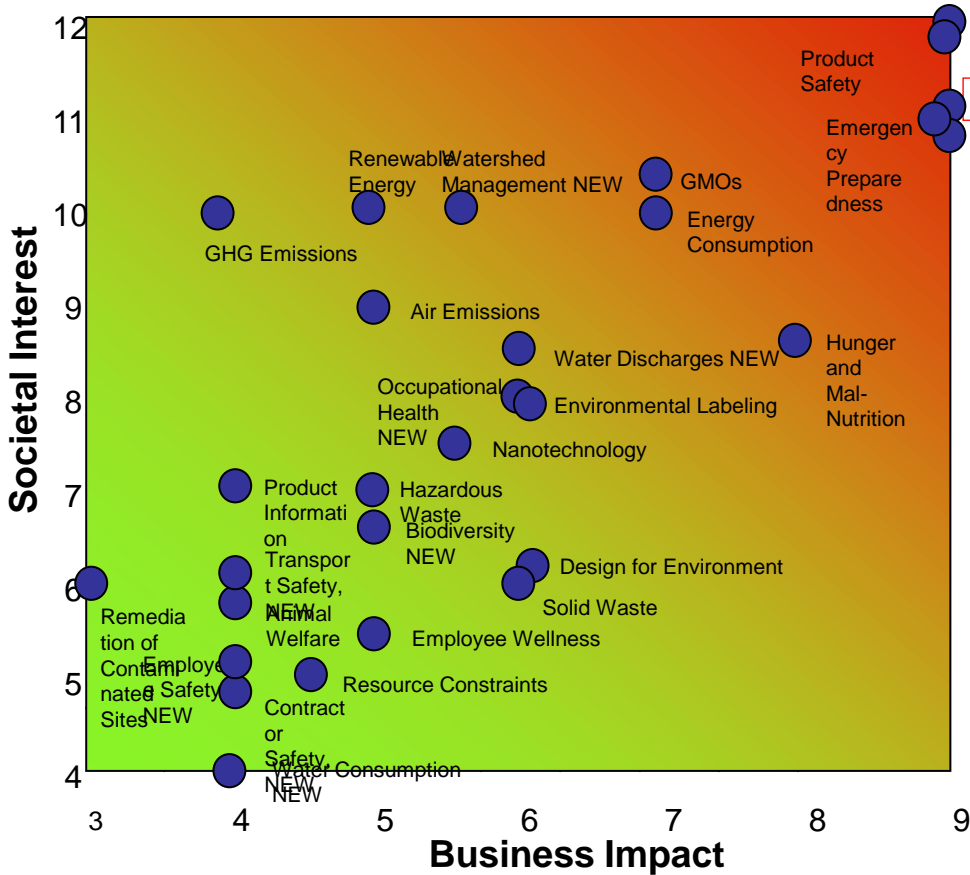
- Resolve & Manage chemical business reputation
- Stakeholder Engagement depending on each topic
- Corporate Multi- year plan developed based on Materiality assessment
- Integrated Annual Report for transparent alignment with stakeholders

Active monitor and Communicate : Transparency and trust for industry



Bio-based materials

**Prioritize :
Develop knowledge and protect for future risks**



Interactive engagement with IUCN

- **Understand** biodiversity and its impact on DSM
- **Develop** tools and establish indicators to measure impact on biodiversity
- **Value creation** via NGO-endorsement of DSM products

Corporate Stakeholder Approach

Creating Shared Value

Responsible Care – basis for good Risk Management

Pro-Active Stakeholder engagement

Creates Innovation and Knowhow

Invest Time and resources

= Long term Business



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