

Press Release

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DSM accelerates its strategic journey to a fully focused Health, Nutrition & Bioscience company

Royal DSM, a global purpose-led, science-based company, announces its strategic decision to fully focus its resources and capabilities to address the urgent societal and environmental challenges linked to the way the world produces and consumes food. Consequently, DSM is simplifying its operating structure and reorganizing its Health, Nutrition & Bioscience activities into three Business Groups, each with clear opportunities to benefit the health of people and the health of the planet, underpinning DSM's growth plans. At the same time, DSM confirms it has started a review of strategic options for its Materials businesses, including a possible change of ownership.

With a growing global population, the world is facing multiple systemic and interconnected food system challenges that impact the health and wellbeing of people, animals, and the planet. Advancements in digital technology and bioscience offer realistic scalable solutions to tackle these challenges, creating new markets and innovation opportunities. DSM, with its strong combination of scientific competences and growing portfolio of nutrition and health solutions, is ideally positioned to capture these opportunities.

Geraldine Matchett and Dimitri de Vreeze, Co-CEOs, commented: *"Our planet is rapidly approaching critical and irreversible environmental tipping points, as warned in the recent IPCC report. Climate change is already creating huge challenges for food systems worldwide, while at the same time food production remains one of the largest contributors of greenhouse gases. As a global leader in the science behind better health and nutrition, we have the opportunity, capability, and therefore responsibility to apply our resources and expertise where they can have the greatest impact. By focusing exclusively on our health, nutrition and bioscience activities we will be able to operate with greater agility and impact, and meet the growing need for better and more sustainable nutrition".*

DSM will become a fully focused Health, Nutrition & Bioscience company

At the heart of DSM's transformation is the creation of three market-focused Business Groups. Each Business Group will be much closer aligned with their respective customers and, through the integration of activities currently performed by the DSM Innovation Center, will be fully equipped to rapidly develop impactful science-based market-ready innovation. The new Business Groups will be:

- **A Food & Beverage** Business Group that combines the food, beverage and pet food activities of the current DSM Food Specialties and DSM Nutritional Products divisions. This Business Group, representing more than €1bn in existing sales, will be uniquely able to meet the needs of customers and consumers by developing sustainable taste, texture, and health solutions. The Business Group's portfolio includes breakthrough innovations such as EverSweet™, a natural

Forward-looking statements

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calorie-free sweetener, and CanolaPRO®, a plant-based alternative protein. It will also be home to the dairy-based flavorings from First Choice Ingredients, pending regulatory approval of this recently announced acquisition.

- **A Health, Nutrition & Care** Business Group with about €2.5bn of sales, aiming to keep the world's growing population healthy through nutrition and care. As the leading player, and in close collaboration with its customers, this Business Group provides unique, sustainable, science-based and innovative solutions for consumers in early-life nutrition, dietary supplements, pharma, medical nutrition, personal care, fragrances, biomedical materials, and nutrition improvement for the most vulnerable communities. It includes a rich innovation portfolio including ampli-D®, the rapid-acting and potent form of vitamin D, an extensive algal lipids portfolio, personalized nutrition initiatives such as Hologram Sciences, as well as Glycom, the world's leading supplier of HMO-prebiotics.
- **An Animal Nutrition & Health** Business Group with more than €3bn in existing sales that will focus on specialty solutions for a radical, yet achievable, transformation in the sustainability of animal protein production. Incorporating essential products such as vitamins and carotenoids, the recently acquired Erber Group, one of the world's largest suppliers of eubiotics and market leader in mycotoxin risk management, as well as a wide range of impactful innovations such as methane inhibitor Bovaer® and fish-oil algae-alternative Veramaris. This Business Group also includes precision initiatives with data-driven decision-making tools for farmers like Sustell™, and for veterinarians and animal health practitioners like Verax.

DSM will begin reporting according to this new structure as from 1 January 2022. Financial re-statements will be provided prior to the publication of the Q1 2022 trading up-date.

In line with DSM's ambition to have a meaningful impact on improving the world's food systems, the company is also announcing a series of specific new commitments today. They underpin DSM's overarching commitment to meaningfully contribute to Health for People, Health for the Planet and Healthy Livelihoods and span all three new Business Groups. DSM intends to continue to obtain reasonable assurance on its impact reporting, including these new commitments, and plans to report its progress each year in its Integrated Annual Report.

DSM reviews options for its Materials businesses

DSM has two excellent Materials businesses that, within the above context, will likely not be able to maximize their full potential to drive the important industrial shift to a bio-based and circular economy. Going forward the Materials Business Group will therefore be managed largely on a stand-alone basis and the global support functions will be re-aligned accordingly. DSM is reviewing strategic options for both Materials businesses, including a possible change of ownership.

Leadership structure established in line with DSM's strategic vision

DSM's new leadership structure will reflect its strategic vision and the organizational structure of a fully focused Health, Nutrition & Bioscience company.

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The Executive Committee, which operates under the Managing Board and is responsible for the day-to-day management of the company, will reflect the new company structure. Next to Co-CEOs Geraldine Matchett and Dimitri de Vreeze, the members will be Helen Mets (Executive Vice President Materials; and Executive Vice President Strategy & Digital), Patricia Malarkey (Chief Science Officer), Cristina Monteiro (Executive Vice President People & Organization), Patrick Niels (Executive Vice President Food & Beverage), Philip Eykerman (Executive Vice President Health, Nutrition & Care; and Executive Vice President M&A), Ivo Lansbergen (Executive Vice President Animal Health & Nutrition), Luca Rosetto (Executive Vice President Operations) and Andre Bos (Executive Vice President Global Products & Strategic Alliances).

As a Health, Nutrition & Bioscience company, DSM has a purpose-led, performance-driven strategy with sustainability and innovation as key growth drivers of its long-term focused plan, underpinned by ambitious targets across People, Planet and Profit. The company recently announced an acceleration in its greenhouse gas emissions reduction target. DSM now aims to reduce emissions from its own operations by 50% by 2030, a significant step-up from the original target of 30% and based on strong progress during recent years.

DSM

Royal DSM is a global, purpose-led company in Health, Nutrition & Bioscience, applying science to improve the health of people, animals and the planet. DSM's purpose is to create brighter lives for all. DSM's products and solutions address some of the world's biggest challenges while simultaneously creating economic, environmental and societal value for all its stakeholders – customers, employees, shareholders, and society at large. DSM and its associated companies employ approximately 23,000 people around the world and deliver annual net sales of about €10 billion. The company was founded in 1902 and is listed on Euronext Amsterdam. More information can be found at www.dsm.com.

Or find us on:    

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