

## **DSM Water Policy**

At DSM, our purpose is to create brighter lives for all. It is DSM's ambition to be an industry leader in the field of Safety, Health & Environment. To manage the resources we use, DSM has a company-wide, publicly available SHE policy (accessible on the [company website](#)) that serves as the umbrella function where we manage our environmental, health and safety metrics together with the Code of Business Conduct and our position paper on human rights. The SHE policy references our Responsible Care Plan, which is a corporate multi-year plan that sets specific standards, targets and goals, and provides direction to sites to manage their own SHE plans.

The water policy is an extension of DSM's SHE policy to specify the context, goals and management standards on the water management in DSM.

### Water Management in DSM

Water is essential to life and the viability of our business. Although water is not a primary ingredient in our products and DSM is not operating in the most water-intensive sectors, we are still dependent on the sufficient availability and quality of freshwater for our production and utilities around the world. Fresh water is a finite natural resource that will be increasingly stressed in the face of climate change and growing global demand. Therefore it needs to be used and managed in a responsible and sustainable way.

Our business strategy is based on the Sustainable Development Goals (SDGs) agreed by the United Nations. One of key SDG's for DSM is closely related to water - SDG 12 (Responsible consumption & production). In addition, DSM is a signatory of the CEO Water Mandate, a UN Global Compact initiative that mobilizes business leaders to advance in water stewardship and drive progress on SDG 6 (Clean Water and Sanitation).

### Goals on water

Our goal for water management is to ensure the sustainable use of water in balance with the local context and to have safe, available water for all.

Our purpose is to create brighter lives for all. We achieve it by using all the scientific and innovation power at our disposal to tackle some of the world's greatest challenges - creating value for customers, shareholders, our people, and society-at-large. For our direct operations, we strive to use water in balance with the context of the respective catchments. In our supply chain, we aim to have oversight on the most material water risks for our suppliers through value chain engagement programs, such as Together for Sustainability (TfS).

We contribute to mitigating water stress and reducing water pollution, using a context-based approach to set location-specific improvement targets, while regularly aligning our goals to emerging scientific insights on the environmental impact of water use.

For water-related climate adaptation, we aim to monitor and embed the physical climate risks in our existing risk management processes; raise awareness of location-specific risks, build resilience by improving emergency response measures and encourage stakeholder engagement & collaborations.

Furthermore in innovations, we are committed to include environmental implications in the development & design of our products and processes and further minimizing water use and water pollution.

### Governance

The Co-CEOs of DSM are responsible for all matters relating to Safety, Health and Environment (SHE) within DSM. The DSM Responsible Care Plan (DRCP) describes our approach and targets on water, which is approved by the Board. The performance on water is reviewed on a regular basis as part of the DRCP.

### Management Standard

DSM's commitment on water is translated to our global policy on water, the Water Management Standard, which applies to all our facilities worldwide, enabling the sites to implement relevant measures in line with international guidelines such as the Alliance for Water Stewardship (AWS) Standards, the WBCSD guide to circular water management and other industry best practices.

The water management standard provides specific guidance for all sites to ensure sustainable water management within DSM on topics, such as:

- Commitments to safely managed WASH in the workplace
- Minimal requirements for sites of material importance on water, incl. regulatory compliance
- Context-based water risk management approach & target setting
- Water stewardship toolbox to guide context-based site implementations, incl.:
  - Internal water management practices, incl. ensuring alternative water supply, water reduction, pollution reduction, raising awareness on substances of concern (such as persistent organic compounds, etc.)
  - External water management practices, incl. stakeholder management

### Monitoring, reporting & disclosure

DSM commits to measuring, monitoring and reporting relevant performance indicators for water. DSM discloses the progress of our water stewardship program, via the CDP Water Security questionnaire.

Key water-related performance indicators on both water use and emission to water are clearly defined in the Environmental Reporting Standard, in line with the latest GRI standard on water and effluents. The disclosure of the water-related performance indicators is assured by an accredited 3<sup>rd</sup> party on an annual basis.

### Regulatory compliance & risk management

DSM is committed to comply with local laws, legislation and regulations and to work in conformity with internal requirements, as described in the SHE policy.

Water security is an integral part of our risk management. Materiality in water use & company-level water risk screening determines which sites are required to conduct and maintain a site-level Water Risk Assessment (WRA). All sites with water withdrawal materiality and sites with current or future water stress based on the selected global database are required to perform a WRA.

### Context-based Targets

On water stress, DSM commits to a company-level contextual water reduction target to improve water intake efficiency in water-stressed areas, including beyond regulatory requirements when applicable.

On pollution reduction, DSM sites set site-specific pollution reduction targets, based on business context, current and future regulatory requirements, the local water context identified in the water risk assessment, to ensure regulatory compliance, as well as to minimize negative environmental impacts of our water discharge.