

## DSM's position on offsetting and voluntary carbon markets

January 2022

**Royal DSM is supporting the UN Paris Agreement's highest ambition to limit temperature increase to 1.5°C and reach global net-zero emissions by 2050. This means that emissions will need to be radically and urgently cut in every sector.**

### Primary focus on deep decarbonization

DSM's primary focus in the short to medium term is to invest in greenhouse gas (GHG) emissions reductions at source and in our direct control. This means investing in transforming our operations and value chains to meet our [Science Based Targets](#) and structurally decreasing emissions from the full scope of our activities across our value chain as close to zero GHG emissions as possible, a 90% reduction at a minimum by 2050 if not sooner. DSM will not be relying on claiming offsets against any scope of our emissions in the short-term.

To meet our net-zero ambition in the long term, we will neutralize any residual emissions across our value chain through permanent carbon removals, meeting the highest quality criteria and social and environmental safeguards.

DSM's net-zero activities are guided by the [SBTi NetZero Standard](#) and Business Ambition for 1.5°C and [UN Race to Zero](#) commitment frameworks.

### Role of voluntary carbon markets

As a *complementary* and *additional* effort to our holistic strategy to reduce our own climate impact, DSM is also exploring the options for highest impact contributions outside our value chain, as a means to accelerate the global net-zero transition.

These contributions can include, but are not limited to, purchasing of high-quality carbon credits.

This complementary mitigation portfolio extending beyond our own value chain, will include a mix of GHG reduction/avoidance projects critical in the short term to scale up innovations, and selected nature-based projects to simultaneously complement our nature stewardship agenda and help to close the finance gap for nature.

### Accelerating deployment of key innovations

Simultaneously to DSM's deep decarbonization efforts, we are investing in a [portfolio of solutions](#) helping our customers to do the same. Our products can enable our customers to transition to a low-carbon economy through an inherently lower carbon footprint, or by helping our customers and other end-users reduce or avoid their own emissions.

In the spirit of supporting all companies looking for options to accelerate the deployment of the most critical innovations beyond their value chains in the short term, we may also explore the possibility of generating high-quality carbon credits from DSM solutions where relevant, for example to [avoid potent short-lived climate pollutant methane](#).

### Joint responsibility

DSM will also continue to support the improvement of the [credibility of corporate climate claims](#), as well as the development of integrity, transparency and liquidity of voluntary market-based carbon credit instruments.

This DSM corporate position will be revised periodically to reflect developments in the net-zero standards and voluntary carbon market.