

# Message from the Chairman

## Sustaining progress in a changing world

The year behind us was in many ways a remarkable and exciting year. It saw us posting a record operating profit, which was largely attributable to strong developments in the global vitamins and fertilizer markets. It also confronted us with major challenges as the turmoil in the global financial markets triggered a downturn of the global economy which inevitably impacted some of DSM's operations, especially in the fourth quarter. On the positive side, we are pleased to report the progress we have made towards achieving our sustainability targets, the implementation of action plans in response to our 2007 Employee Engagement Survey, and the intensification of our partnership with the World Food Programme.

The financial and economic turmoil notwithstanding, we are proud of our achievements in 2008, also in the area of sustainability. Our commitment to creating innovative new products in a sustainable way is ever increasing. Our strengths and capabilities will help us to achieve our ambitious targets.

Achieving a productive and sustainable balance between the needs of people, planet and profit is fundamental to the way we do business: sustainability has never been more relevant.

During 2008 we continued to build on our proven capabilities. We proceeded with the implementation of our accelerated *Vision 2010* strategy and further developed the sustainability program which is intrinsic to this strategy. Year by year, sustainability is becoming increasingly integral to our day-to-day activities. This is a process which has not yet been completed and which, indeed, never can be fully completed. The current economic climate should not divert our attention from the real challenges confronting our world, which involve ensuring sustainable energy supplies, addressing climate change, and providing adequate levels of healthcare and nutrition for the globe's entire population. As the world changes around us, we must continually adapt, offering innovative solutions which create a positive dynamic not only for our customers and our company but also for the world in which we operate. 2009 is the double centenary of Darwin, whose *The Origin of Species*, published in 1859, introduced the principle of 'survival of the fittest' and highlighted the crucial importance of adaptability in a constantly changing world.

Our sustainability strategy is one of adaptability. In 2007 we defined four global trends which we believe will increasingly shape our world: Climate and Energy, Health and Wellness, Functionality and Performance and Emerging Economies.



Feike Sijbesma visits children at the School of Hope, a small school in the slums of Dhaka, Bangladesh.

These children receive micronutrient fortified food when they come to school.

# Message from the Chairman



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

**Feike Sijbesma**  
**Chairman of the DSM Managing Board**  
**With DSM since January 1987**

During 2008 we responded to these trends with a variety of initiatives on which we report here, from the search for second-generation biofuels to the implementation of world-leading quality standards in the nutritional sector. We are also convinced that our combination of Life Sciences and Materials Sciences will provide new growth opportunities for DSM as we meet evolving needs in developing fields such as biomedical materials and renewable materials. Our commitment and expertise led to many achievements of which we can be justly proud – for instance, the award of Carbon Trust certification to our vitamin production site in Dalry, UK. We can also be especially proud of the way in which our employees around the world have engaged with our partnership with the World Food Programme. On many fronts, we are using our energy and professional expertise to help alleviate the suffering of some of the poorest people in the world and pave the way to a more sustainable future.

Yet so much remains to be done. The balance between people, planet and profit is not a constant: it has to be sought again and again as circumstances change. Our Employee Engagement Survey, which was run for the first time in 2007 and is to be repeated in March 2009, generated many positive results but also showed room for improvement. Key areas for attention were inspirational leadership (which is required of managers at all levels), high-performance culture (which is a prerequisite for implementing our accelerated *Vision 2010* strategy) and workforce diversity (which needs to increase in terms of gender as well as nationality, thus enabling us to remain innovative).

Our continuous inclusion in the top rank of the Dow Jones Sustainability Index (DJSI) reconfirmed our leadership position in sustainability but also pointed out the need for improvements regarding eco-efficiency, occupational health & safety, human capital development and customer relationship management.

To our deep regret we have to report a fatality at one of our plants – the death of a DSM employee who was blown off a tank container in Venlo, the Netherlands, while carrying out a routine procedure.

Sustaining progress in a changing world means giving full attention to the areas where we can and must improve. It means building on our strengths – our unique science base and technology platform, our global reach, and the skills and commitment of our employees – to create a sustainable way of doing things. Increasingly our focus is on using processes and creating products that generate a reduced eco-footprint throughout the entire value chain. But we must look beyond the visions of science and the specifics of manufacturing to a deeper understanding of sustainability – one which embraces every aspect of our working lives. Developing that understanding, living it out, and ensuring that it benefits the world which our children will inherit is our great challenge and our great opportunity. This stewardship is very much a work in progress, and we will report on the advances made during 2009 in next year's Triple P Report. The progress made during 2008 would not have been possible without the efforts and enthusiasm of our people, and I would like to take this opportunity of thanking them all.

This year we are proud to have improved the transparency of our reporting on sustainability, as is evidenced by our achievement of GRI A+ status for this report.



Feike Sijbesma