

SUSTAINABILITY

On the Green Trail

Asia Food Journal visits DSM's facility in Basel, Switzerland to understand its green efforts.

BY SHEILA WAN, EDITOR



DSM's integrated Triple P approach pursues sustainable value creation on three dimensions simultaneously — People+, Planet+ and Profit+.

In November last year, Royal DSM N.V. continued its number one position in the chemical industry sector in the Dow Jones Sustainability World Index (DJSWI). It held the position between 2004 and 2006, and 2009. The company ranked amongst the top leaders in the sector in 2007 and 2008.

"We are very proud to have continued the number one position in the Index," said Feike Sijbesma, chairman of DSM's managing board. "It is the recognition of our continuous efforts in sustainability. Our full commitment to sustainability is shown every day in our products and innovation. Sustainability is one of the growth drivers of DSM and is the core value of the company."

The DJSWI includes over 300 companies from 34 countries that rank among the top 10% in their industries in terms of corporate sustainability. The Dow Jones Sustainability Indexes track the performance of the leading sustainability-driven companies worldwide through a thorough assessment of companies' economic, environmental and social performance and accounts for more than 50 general as well as industry-specific criteria in each sector.

"Being sustainable enables companies such as Kraft and Unilever opportunities to take leadership in the markets that they are active in. Kraft is for example concerned about environmental impact and conscious of forced slavery when sourcing on cocoa and coffee," Lara Jacob, senior engagement specialist of asset management company Robeco, told *Asia Food Journal* and an international group of editors in February this year.

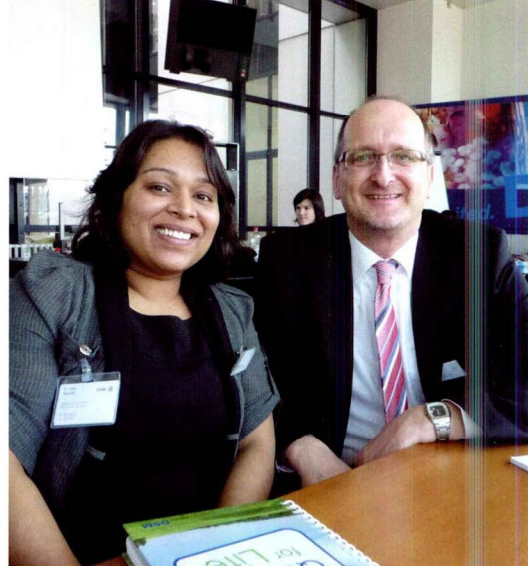
"Sustainability is a matter of reputation and the Index spurs sustainable behavior and responsible investment. At Robeco, we look at internal operations, transparency and risk management when considering which company to invest in."

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Sustainability is a matter of reputation and the Dow Jones Sustainability World Index spurs sustainable behavior and responsible investment.



Lara Jacob, senior engagement specialist of pure-play asset management company Robeco, was among the six speakers at the Quality for Life Editor Visit day on February 11, 2011.



(L-R) Karnika Goel, senior communications officer, DSM Food Specialties and Michael Matthes, director safety, health & environment, DSM Nutritional Products.

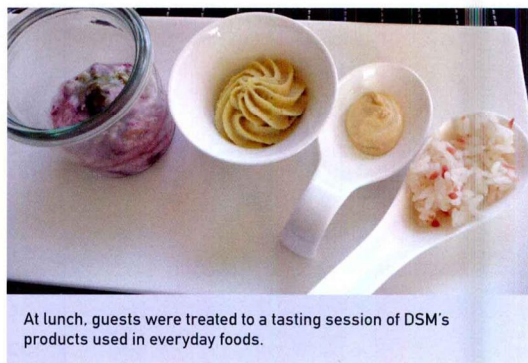
She said companies on the sustainable trail have to overcome challenges such as growth and externalities. "The external factors and costs that are largely unaccounted for include water, soil fertility, and climate regulation due to forest/timber plants. These factors are usually not internalized in a company's value chain. In case of the nutrition industry, a company has to consider the security of sources, sustainable sourcing, and moving from philanthropy and responsibility to sustainability, especially in developing countries. Retailers need to also work on sustainable procurement to form part of the value chain."

It takes decades to plan and implement the sustainability concept in any company, as DSM has demonstrated. The company considered the concept in 2000 due to a vision and a cost saving exercise to achieve energy efficiencies. It later considered expanding the concept and found customers knocking on its doors for information and dialogue on eco and carbon footprint. "It was a bottom-up push from the consumers to our customers," said Michael Matthes, director safety, health & environment, DSM Nutritional Products.

"By incorporating the sustainable concept in our businesses such as eco efficiency that began in 2006 and the Energy and Sustainability Roadmap 2020, we have found less energy use and emissions. We evaluated the success of changes made and identified effective ones using the Six Sigma approach.

"Energy saving is technical process that has a five or 10 year program that is broken down into annual targets. By tracking it back into the business, energy savings form part of the business activity that helps our customers merge long term sustainability goals with short term business targets."

Merging technicalities with sustainability, the company has for example created Brewers' Clarex for the brewing industry to create an end product without the haze. "This product solves a problem without needing new equipment or processes to remove the enzyme," said Karnika Goel, senior communications officer at DSM Food Specialties. To have the staff buy-in on sustainability, Henry Dixon of UK-based Barrett Dixon Bell, the facilitator for the day's event said champions are needed to lead the program to create a common understanding among staff from high level concepts by the management. "DSM's employees here are mainly made up of Dutch and Swiss nationalities who desire to preserve the beautiful surroundings they live and work in and believe in the sustainable cause."



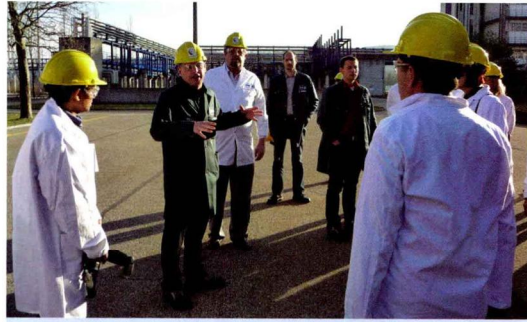
At lunch, guests were treated to a tasting session of DSM's products used in everyday foods.

Field Report in Pictures

With 1,000 employees, two R&D centers and 11 manufacturing facilities at DSM Nutritional Products' Sisseln site in Switzerland, the company produces pharmaceutical standard products for industries such as food and beverages, cosmetics (aromatic chemicals), animal nutrition and pharmaceuticals. Here's the site at a glance. ■



Richard Osterhoff, site director of DSM Nutritional Products, Branch Site Sisseln, gave an overview of the site to the media.



Sisseln staff (in green: L-R) Dr. Martin Haefele, head of vitamin production Sisseln, Dr. Markus Rohr, plant chemist of intermediates plant and Dr. Stefan Essl, production manager of vitamin E plant guided the media through the site.



Staff liked the wooden floors in the facility as they add "an element of fun to work". Dr Haefele said the floors are part of history and they provide a clean, dry, safe and shiny environment for him and his colleagues to work in.



The group prepares to enter the facility.



A filtration system consisting of three columns, measuring devices, process controls and computer systems was built three years ago and cost four million Swiss francs (\$4.29 million).