

## Press Release

DSM (China) Ltd.

DSM China Corporate Communications

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## DSM in China publishes Integrated Annual Report 2014

Royal DSM, the Life Sciences and Materials Sciences Company, today published its 2014 annual report on three dimensions of People, Planet and Profit in China. This is the eighth year that the report has been published in the country. DSM in China made good progress especially in local innovations in 2014, while placing great emphasis on innovations to achieve sustainability.

"DSM in China made good business development in 2014, with sales achieving double-digit growth, especially for the local application businesses." said Dr Jiang Weiming, DSM China President. "At the same time, we are pleased to see the Chinese government has put more focus on the quality of growth rather than just the speed of growth. As a company who has been amongst the leaders in the Dow Jones Sustainability World Index for many times, DSM can contribute a lot together with China to achieve sustainability."

People: ONE DSM Culture Agenda and Occupational Safety

As a global company, with 89 nationalities, more than 200 sites and offices in over 50 countries, it is important to create a shared culture that embraces differences. DSM aims to grow collaboration to harness the power of its global workforce.

The ONE DSM Culture Agenda was designed in conjunction with DSM's Leadership Model, and aims to support the company's strategic alignment with the needs of an everchanging world. To better "Do, Act, and Own" the One DSM Culture Agenda and motivate people to take initiatives, DSM recognizes and rewards role models. In 2014, DSM launched the systematic DSM Culture Agenda - China Award. Over 35 applications were received from different business groups/units and various sites for a series of awards. The winners chosen by all employees and Culture Award committee were announced during the Annual dinner.

DSM strives to create an injury- and incident-free working environment for its employees as well as its business partners for all times when working with DSM. To achieve this, DSM has designed a comprehensive safety program within its SHE framework, which enjoys high priority cross the whole organization. No fatalities occurred in 2014, which means that DSM China has been fatality-free for thirteen years in a row. Moreover, DSM China introduced the company's Serious Injury and Fatalities (SIF) concept in 2014. This concept identifies and analyzes all past incidents and near misses with the potential for severe injury, so that improvement efforts can be concentrated on the prevention of such incidents. After the pilot phase in 2014, the policy is expected to be fully rolled out in 2015.

Planet: Green design contributes to energy savings and emission reduction

Within the Planet dimension of its Triple P (People, Planet and Profit) approach, DSM actively works on creating solutions and innovations that improve the environmental footprint of its business and that of its external stakeholders in its value chains.

In 2014, DSM China's energy efficiency improved by 8.5%, a big step forward from previous years. DSM Nanjing Chemical Co., Ltd. (DNCC) is the biggest site in DSM China, lots of energy saving technologies were adopted in DNCC line 2 project, which is the biggest contribution for energy efficiency improvement in DSM China.

In 2014, the new DSM China Animal Nutrition & Health R&D center opened in Bazhou, where the world-class science and applications would be launched for developing total solutions for animal nutrition to meet the needs of high-growth breeding market in China. The new site installed an advanced air cleaning system, to purify the air emitted from animal houses through a natural process. The system relies on three layers consisting of different types of natural materials acting as filters to clean the air. This system effectively removes air pollutants like ammonia gas, dust and odors in an environmentally friendly fashion, guaranteeing no harmful environmental impact to the neighbourhoods.

Profit: New acquisitions and partnerships promote sustainable growth

Sales in China continued to represent an important contribution to DSM's total sales in high growth economies. In 2014, Sales in China achieved double-digit growth, reaching USD 2.0 billion.

In Yixing, Jiangsu Province, DSM launched a new enzyme facility run by DSM (Jiangsu) Biological Technology Co., Ltd. The new plant has been built according to world leading quality standards and management systems. As one of DSM Food Specialties enzyme solutions manufacturing sites, it serves both global and local markets.

DSM acquired Aland (HK) Holding Limited, a leading Chinese Vitamin C manufacturer. This acquisition allows DSM to further strengthen its position in the market for vitamin C in China. The Aland takeover also increases DSM's global footprint in vitamins for Human Nutrition & Health, Animal Nutrition & Health and Personal Care.

To download the DSM China Integrated Annual Report 2014, please click here.

DSM - Bright Science. Brighter Living.™

Royal DSM is a global science-based company active in health, nutrition and materials. By connecting its unique competences in Life Sciences and Materials Sciences DSM is driving economic prosperity, environmental progress and social advances to create sustainable value for all stakeholders simultaneously. DSM delivers innovative solutions that nourish, protect and improve performance in global markets such as food and dietary supplements, personal care, feed, medical devices, automotive, paints, electrical and electronics, life protection, alternative energy and bio-based materials. DSM's 25,000 employees deliver annual net sales of around €10 billion. The company is listed on NYSE Euronext. More information can be found at <a href="https://www.dsm.com">www.dsm.com</a>.

DSM began trading with China in 1963 and established its first China sales office and first manufacturing facility in early 1990s. The company currently has 45 affiliates in China including 27 manufacturing sites and employs about 3,500 people. DSM China regional headquarters and China Science and Technology Center is located in Shanghai. DSM's business is growing healthily and steadily in China with revenue of more than USD 2.0 billion in 2014. For further information, please visit www.dsm.com.cn.

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