

Future Oriented Sustainability: DSM sets a new course

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Future-Oriented Sustainability: DSM sets a new course

A conversation with Gaelle Bathany in her new role as
Director of Sustainability for Personal Care & Aroma Ingredients



Gaelle Bathany

EURO COSMETICS: *Gaelle, you were named Director of Sustainability for Personal Care & Aroma Ingredients at the start of this year. Which first actions did you take?*

Gaelle Bathany: Before taking on this newly created position, I was in charge of Global Key Accounts in Personal Care at DSM. Having worked very closely with customers in my last role, I have seen just how important sustainability is to highly influential, trend-setting companies. DSM has always had sustainability at its heart. Even in our early days as a coal mining company, employee safety came first, and today, as a global player in life and material sciences, we have just been named leader in our industry group in the Dow Jones Sustainability World Index. Appointing a Director of Sustainability for Personal Care & Aroma Ingredients is a way to show all our stakeholders how serious we are about

this topic and how deeply we want to engage with them. With the insights I gained in my previous role and my extensive sales and marketing experience, I'm ideally placed to bridge the needs of our customers with our business ambitions. I have access to all the relevant expertise DSM has to offer and can apply this within the Personal Care & Aroma Ingredients unit to further improve our own sustainability footprint.

Overall, 2018 has been a year of exploration and a time for all employees to think about sustainability both from the company's perspective and in wider society. We have achieved this through conferences, meetings with our customers, and internal workshops. These steps have helped us identify the key challenges to tackle and gaps to close in our portfolio of cosmetic and aroma ingredients.

EURO COSMETICS: *And which concrete projects are on your agenda?*

Gaelle Bathany: Sustainability can be a bit of a buzz word and there are also some misconceptions which it is going to be important to challenge, such as the adage that "only natural ingredients can be sustainable".

We've begun by assessing our product portfolio against the United Nations' Sustainable Development Goals to identify which of these goals most resonate with our activities. We've also taken a look at where we have most effect on the value chain. Moving on, we plan to identify the

OUR VITAMIN E CO₂ FOOTPRINT COMPARED TO:

carbide and coal-based

74%
POTENTIAL
SAVING

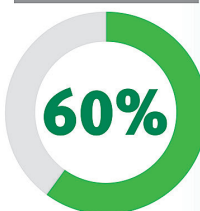


next best chemistry¹

23%
POTENTIAL
SAVING



**REDUCTION IN
DUST & PARTICLE
MATTER⁸**



**REDUCTION IN
NON-RENEWABLE
ENERGY DEPLETION⁸**

areas where we can either boost our positive impact or take mitigating action. A key milestone now is to embed sustainability in our day-to-day activities to ensure we have a positive impact throughout the life-cycle of our products, from design and creation, through to use, and then end-of-life and disposal or recycling.

Some of the biggest challenges our industry currently faces include palm oil, ocean plastic, respect for biodiversity, water, and balancing the health and social benefits of UV filters with their environmental impact. We have a responsibility to establish an appropriate system for assessing our entire value chain so that we make the best choices between natural and synthetic pathways, optimize our production processes, manage our emissions and ensure traceability and transparency. To see where we can add value and support our customers with these challenges, we have developed a Personal Care and Aroma sustainability strategy and an action plan. This is positioned in the global context of what the most relevant priorities are for our stakeholders. Our strategy of course feeds into DSM's overall sustainability goals.

EURO COSMETICS: *Working conditions in global procurement chains and environmental services are complex challenges. How are you handling this? What are you doing with respect to traceability for procurement and fair trade?*

Gaelle Bathany: Well firstly, we are backwards integrated in the supply chain, which helps to mitigate supply chain risks while bringing transparency to our stakeholders. And we only work with suppliers who share our values. Our supplier code of conduct sets out how we do business and we encourage everyone in the value chain to get on board, through communication and training. 75 of our strategic suppliers recently joined us at a partnership day, organized to share our Purpose led, Performance driven strategy update and raise awareness of our goals for reducing our environmental footprint and making a positive social impact.

We also set clear environmental targets. To



give you an example, having achieved a 26% cumulative improvement in greenhouse gas efficiency since 2008 (compared to 23% in 2016) we are aiming for a 40–45% cumulative improvement by 2025.

Our ultimate ambition is full transparency throughout all our supply chains, as we have already achieved with our Alpaflor® skin care actives. All the organic herbs in this range are supplied by a cooperative of Swiss farmers, with whom we have an exclusive contract, and every step of this supply chain is fully traceable. The cooperative aims to provide a sustainable source of income for farmer members in the region and our initiative has been so successful that the product range recently received North-North Fair for Life certification – an almost unprecedented feat in our industry. This achievement leads us to believe we can fulfill this ambition throughout our entire portfolio.

EURO COSMETICS: *With which partners and interest groups are you working in order to speed up progress?*

Gaelle Bathany: We have to work with others if we want to make significant and timely progress. And this means collaborating with all stakeholders: customers, suppliers, and also competitors – through

frameworks such as working groups.

DSM is part of Together for Sustainability (TfS), an initiative¹ involving several chemical companies and formed to improve sustainability in the supply chain. TfS supports the principles of the United Nations Global Compact and engages in open and constructive dialog to improve the working and environmental conditions in global supply chains.

Along with other industry leaders in Europe, we founded and are an active member of the Roundtable for Product Social Metrics. While there are plenty of methodologies around to assess a product's environmental impact, tools and metrics for assessing social impact are still scarce. The Roundtable therefore piloted various approaches and developed a methodology which is set out in its Handbook for Product Social Impact Assessment. The assessment considers three stakeholder groups: workers, consumers and local communities, and covers a diverse range of subjects, such as access to tangible resources, community engagement and health and safety. As an approach, it has the potential to be beneficial for any company wishing to innovate based on social impact performance metrics that take account of the whole value chain.



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EURO COSMETICS: *How do you determine how sustainable your company is?*

Gaelle Bathany: As an open company, we are firmly committed to providing transparent information and we cooperate in a number of independent assessments. Our annual reporting activities include contributing to the Carbon Disclosure Project (CDP), Ecovadis, and SEDEX, which have all become standard requirements for discerning Personal Care and Aroma Ingredients customers. We are keen to demonstrate our 100% commitment here.

On the back of our involvement with the Roundtable for Product Social Metrics, that I mentioned earlier, we've also developed our own internal program, called Brighter Living Solutions for measuring the percentage of sales with a positive social and/or environmental impact. This is one of the key performance indicators we include in our annual report, and as our internal metrics are based on widely-accepted life-cycle assessment methodologies, they serve as an additional point of scrutiny.

Another aspect of our internal assessments is our annual customer satisfaction survey which includes questions on sustainability. The responses we receive from this help us understand how our customers view us, in terms of sustainability, so we can decide which priorities to focus on.

EURO COSMETICS: *What is the greatest hurdle for the implementation of sustainability?*

Gaelle Bathany: Embedding sustainability in all our activities, and capitalizing on our CEO's and senior managers' leadership, determination and commitment to this process requires change. And without a doubt, managing such change in the workplace is a hurdle. To overcome this, we need to offer guidance and education so that our employees understand the challenges our planet faces and how they personally can contribute to creating a better world. Once people can see why sustainability is relevant day to day, in how they shop, use water, or recycle waste at home,

it's much easier for them to adapt to and adopt more sustainable practices at work.

EURO COSMETICS: *Customers regard the social and ecological compatibility of products as desirable product characteristics and take these into account in their purchasing decisions accordingly. How do you handle this and what do you offer your customers?*

Gaelle Bathany: At product level we still have plenty to do but we have also taken a number of positive steps.

I've already mentioned our Alpaflor range of plant extracts and another example is our Vitamin E production process which is said to be the world's most sustainable. We've even designed an infographic so that our customers can calculate the CO₂ emissions they save when using our Quali®-E vitamins.

It's important for our customers to have access to transparent information about our products' sustainability footprints and facts relevant to them and their end con-

sumers. This is why we recently reviewed and evaluated our entire skin bioactive portfolio against well-known certifications such as COSMOS and NATRUE, and the recently introduced ISO 16128 standard on definitions for natural ingredients. We've used this information to develop a new guide to our natural, organic and sustainable ingredients that we've called House of Naturals. At the moment we offer more than 55 ingredients that are of natural origin and backed by solid safety and efficacy data. To help our customers navigate this portfolio we've identified three categories of natural ingredient and created an icon for each one, so that it's easy to see which group a product belongs to. In time, we plan to examine all our portfolios in this way and produce similar guidance and navigation aids.

Another way we are contributing to sustainability is with our Sunscreen Optimizer™. We created this free online tool to help customers develop and fine-tune sunscreen formulations before moving on to the costly, time-consuming SPF testing process. Our Optimizer can be used with all UV filters, not just DSM's and it factors in regulations in different regions, so it is a genuine money- and time-saver for customers.

EURO COSMETICS: *In 2015, the United Nations adopted the so-called Sustainable Development Goals (SDGs of the United Nations) with 17 goals for sustainable development. These are directed at all countries and organizations around the world. What contribution will you make to achieving this goal?*

Gaelle Bathany: DSM has been supporting the United Nations Sustainable Development Goals (SDG) since 2008. All 17 of these goals are important, but the company has been focusing on five, including Good Health and Wellbeing (SDG 3), Responsible Consumption and Production (SDG 12) and Climate Action (SDG 13).

Within our personal care business unit, I'd say that our innovations in sun care and actions to raise awareness of rising skin cancer rates have huge relevance for SDG 3. After all, as a leading supplier of

sun care ingredients, we have a responsibility to help educate people about the risks of UV and how to protect their skin.

EURO COSMETICS: *Last year, you occupied 2nd place on the Fortune Magazine 'Change the World' list. This influential business magazine names companies worldwide whose businesses have positive social impacts that 'Change the World'. Can you tell us a little more about this?*

Gaelle Bathany: Fortune magazine has acknowledged DSM in the Change the World list² for the third consecutive year. Several of our innovations were highlighted, one of them being Veramaris, DSM's joint venture with Evonik, for our breakthrough omega-3 fatty acids made from natural marine algae rather than fish oil from wild caught fish.³ Fortune also praised DSM's contributions to The Ocean Cleanup, a not-for-profit organization aiming to rid the world's oceans of plastic through advanced technology. What's more, last year Fortune also highlighted the impact of Africa Improved Foods (AIF), DSM's joint initiative with the Rwandan government and development agencies aimed at boosting the local nutritional food-processing industry. Within Personal Care and Aroma Ingredients, this recognition has inspired and spurred us on to make sure our own customers get a sense of our positive social impact.

EURO COSMETICS: *What motivates you personally when it comes to the topic of sustainability?*

Gaelle Bathany: These days, sustainability is not an option. It must be anchored in the centre of our strategy. As a purpose-led company we have an obligation to care about our planet and the impact we create. In my business vision, I have always considered human relations and thinking about the long term impact of our business decisions as two of the keys to building sustainable partnerships. This very much aligns with the philosophy of Sustainability. After all, can we truly care about the planet if we do not care first about people? In the past months, as I've settled into my

new role, I've met many new people, both in the company and externally. These people come from all walks of life, and they are all firmly committed to doing good for the planet with a purpose-led mindset. It has been truly inspirational!

Because of DSM's long history of sustainability, Personal Care and Aroma Ingredients has a very strong foundation it can build on to become a recognized sustainable player within our industry. This is the challenge of my new role but it's also a great opportunity to support our customers and our employees and to make our business stand out.

EURO COSMETICS: *And which project in the field are you particularly proud of?*

Gaelle Bathany: Well our Safer under the Sun⁴ initiative is definitely worth a mention. We launched this because although skin cancer rates are rising, the use of sun protection has not yet become a healthy, daily habit. Consumer education is key here, and we also aim to work with governments, other companies and NGOs to increase knowledge and understanding, harmonize SPF testing, and develop legislation on sun protection worldwide.

I'm also proud to be working for a company that is taking such a lead on sustainability, and to have been entrusted with this new role. I'm looking forward to sharing my experience, knowledge and passion for our industry with my colleagues and our customers, and to working together for a more sustainable future for future generations and our industry. Doing Something Meaningful!

EURO COSMETICS: *Thank you for speaking with us.*

¹ <https://tfs-initiative.com/>

² <http://fortune.com/change-the-world/>

³ <https://www.dsm.com/corporate/media/informationcenter-news/2018/08/26-18-dsm-named-on-fortune-magazines-change-the-world-list-for-third-consecutive-year-and-ranked-number-1-by-sustainalytics.html>

⁴ https://www.dsm.com/markets/personal-care/en_US/about-us/sustainability-in-dsm/skin-cancer-prevention.html