

Koninklijke DSM N.V. Annual General Meeting 2020

Type of meeting	AGM
Company:	DSM
Date	14:00h CET, May 8 th 2020
Location	Virtual Shareholder Meeting
Speaker	Laura Bosch (Robeco)
Opt-in members	Achmea Investment Management, NN Investment Partners, Triodos Investment Management , APG and MN.
Attendance AGM	74 % of stock of outstanding stock represented

Agenda items	Vote	Result (%)
		For
1. Opening	-	-
2 Annual report for 2019	-	-
3 Remuneration Report	FOR	94.18%
4 Financial Statements for 2019	FOR	99.72%
5.A Reserve Policy and Dividend Policy	-	-
5.B Adoption of the dividend on ordinary shares for 2019	FOR	97.9%
6.A Release from liability of the members of the Managing Board	FOR	98.75%
6.B Release from liability of the members of the Supervisory Board	FOR	98.75%
7.A Elect Robert J. Routs to the Supervisory Board	FOR	98.63%
7.B Elect Eileen T. Kennedy to the Supervisory Board	FOR	99.51%
7.C Elect Pradeep Pant to the Supervisory Board	FOR	99.47%
7.D Elect Thomas Leysen to the Supervisory Board	FOR	99.11%
8 Reappointment of External Auditor	FOR	99.49%
9.A Authorization of the Managing Board to issue up to 10% ordinary shares and to exclude pre-emptive rights	FOR	86.08%
9.B Authorization of the Managing Board to issue an additional 10% ordinary shares in connection with a rights issue	FOR	87.12%
10 Authorization of the Managing Board to have the company repurchase shares	FOR	97.30%
11 Reduction of the issued capital by cancelling shares	FOR	98.88%
12 Any other business	-	-
13 Closure	-	-

Agenda Item 1 - Opening

COVID-19 impact

We would like to acknowledge DSM's timely response to minimize the impact of COVID-19 crisis in your business, whilst we appreciate the company's commitment to continue providing products that contribute to vital needs in these times, such as medical supplies.

- DSM's product portfolio in the Nutrition cluster is particularly well positioned to meet current societal needs. Does DSM foresee further adaptation of its strategic focus on this product portfolio in light of how demand is evolving due to the COVID-19 crisis?

DSM's product portfolio and innovation pipeline is indeed well positioned to meet current, and more importantly future societal needs and mega trends.

We are still in the midst of the COVID-19 pandemic and there is much volatility. At this stage there is increased demand for immunity-optimizing dietary supplements. We also see some short term shifts, as an example from fresh to packaged foods, and more sales through grocery retail outlets as people eat more at home, but we think that the long term trends and drivers remain very much in place.

We stay focused on our long-term strategy to deliver above-market growth in both Nutrition and Materials, pursuing our innovation programs and growth initiatives, supported by the execution of our self-help actions.

Sustainability targets

DSM aims at net zero carbon emissions in 2050, with a target of 30% by 2030 compared to 2016 levels. The EU Green Deal is at the moment aiming at 50+ % reduction in 2030 compared to 1990 levels and net zero in 2050.

- DSM stated earlier that its targets are in fact Paris aligned. Are these targets also aligned with the provisional EU Green Deal emission trajectory for 2030? Many companies have changed their revenue composition over time (and will continue to do so), and are still able to benchmark over time on aggregate levels. Why would that be different for DSM?

DSM fully supports increasing the EU 2030 target to set the region on a NetZero pathway and we have already made our own commitment to reach NetZero across our operations and value chains by 2050, being one of the first companies to do so. We are already assessing how we will deliver on this.

Our target is to reduce emissions from operations by 30% in absolute terms by 2030 compared to 2016, and indirect value chain emissions by 28% per ton of product produced in the same period. These targets are validated by the Science Based Targets initiative to deliver our contribution to the Paris Agreement, and are a key milestone on the pathway to NetZero. DSM was a completely different (Petrochemicals) company in 1990 with significantly higher emissions. For DSM today, being a Nutrition, Health and Sustainable Living company, any comparison with 1990 is not meaningful. For this reason, we cannot make a direct comparison of our emissions trajectory and ambitions versus the EU Green Deal ambition of 50%+ by 2030 compared to 1990 levels.

- DSM is member of RE100, aiming at sourcing 100% of electricity from renewable sources, and the company has committed to source 75% by 2030. Is DSM prepared to commit to 100% by 2030, like some of its peers already did?

At the moment, our commitment remains to source 75% of our electricity from renewable sources by 2030 and to aspire to reach 100% at the earliest possible opportunity. This is already a step up on our previous commitment of 50% by 2025. In order to realize these ambitions we give preference to PPAs and new assets. For example, our two most recent PPAs in Europe and the US, representing approximately a quarter of our total electricity consumption and the largest we have

settled to date, enables the construction of new wind and solar assets in Spain and the US.

Agenda item 3 – Remuneration Report

The Remuneration Committee currently does not disclose the actual targets attached to each performance metric in the variable pay as this is classified as commercially sensitive information. The vesting scheme disclosed for most of the performance metrics under the Long-Term Incentive plan provides some guidance on the targets considered by the Remuneration Committee.

- Could DSM consider disclosing the performance range assessed for those metrics under the Short-Term Incentive, as similarly described under the Long-Term Incentive?

DSM operates on a principle of maximum transparency, within the limits prompted by business sensitive information. Disclosure of business sensitive information is obviously not in the interest of our stakeholders.

This year DSM introduced five categories of target realization to further enhance transparency: not achieved (zero pay-out); below target, at target, above target and maximum pay-out. DSM is committed to further explore possibilities to improve insight into achievements of the performance targets, while taking into account said limits.

Agenda item 4 – Accounts and Reports

We recognize Mr. Sijbesma's leadership in driving DSM's transformation and successes throughout the last decade. For that reason we would like to thank Mr. Sijbesma for all his work over the last years and wish him the best of luck in his future endeavours. We look forward to witness how Ms. Matchett and Mr. de Vreeze continue to drive the company with similar success.

- Mr. de Vreeze and Ms. Matchett retain their responsibilities as COO and CFO respectively in the current dual leadership structure. Could you explain their individual executional responsibilities as co-CEOs, apart from operational and financial matters?

As Co-CEO's, Geraldine Matchett will focus on financial management and capital markets communication, capital allocation, talent and culture development, as well as digital strategy and new ways of working. Also legal and compliance, communications, global marketing and IT and shared services are part of Geraldine Matchett's responsibilities.

Dimitri de Vreeze will focus on operational delivery, SHE, customer centricity, driving growth and efficiency as well as innovation and R&D programs. Which means all DSM's businesses as well as DSM's Innovation Center report to Dimitri de Vreeze, and he is responsible for Operations & Responsible Care, Sourcing and Sustainability.

Jointly they are accountable for the management of the company and will drive the purpose led, performance driven strategy and M&A agenda.