Environmental, social, and governance (“ESG”) criteria consider both the ethical and sustainability implications and related long-term risks of investment decisions. ESG criteria provide a qualitative framework for evaluating investments, as they are non-financial and not readily quantifiable in monetary terms.

ESG criteria consider, among other relevant matters, the following issues:

- **Environmental** – energy and climate change, biodiversity and land use, toxic emissions and waste, sustainability, supply chain management, etc.
- **Social** – anticompetitive practices, marketing and advertising, privacy and data security, civil liberties, human rights concerns, impact on local communities, child labor, workplace diversity, etc.
- **Governance** – bribery and fraud, controversial investments, executive compensation, management structures, board composition, executive behavior, etc.

It is DSM’s policy to integrate responsible investing and ESG factors in its investment process. In general, if DSM determines that ESG factors may have a material impact on the potential long-term returns of an investment, DSM will complete in-depth research on those issues and continue to monitor them for any developments and determine whether any action should be taken with respect to the investment.

DSM will invest in companies with ESG issues when our research concludes that the issues are not material to long-term financial returns. DSM will evaluate Board of Directors independence, qualifications and procedures, with regard to achieving future financial returns for shareholders.

DSM became a signatory to the the United Nations Principles of Responsible Investment (PRI) in October 2017. The PRI provides an aspirational set of investment principles and best practices designed to promote responsible investing. DSM’s signatory profile and Transparency Reports can be viewed on the PRI website at [https://www.unpri.org/signatories/dsm-capital-partners-llc/2163.article](https://www.unpri.org/signatories/dsm-capital-partners-llc/2163.article).