



mirror Land August FUTURE PROOF

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dsm-firmenich

Navigating Uncertain Times: Achieving Resilient Asset Care Management for the Future

2023 06 01 Jos Van der Aelst, Competence Lead Asset Management



Intro dsm-firmenich

Asset Care challenges

A Future Proof Asset Care Strategy in a fast rapidly changing world?

How do we support sites with Future Proof Asset Care?

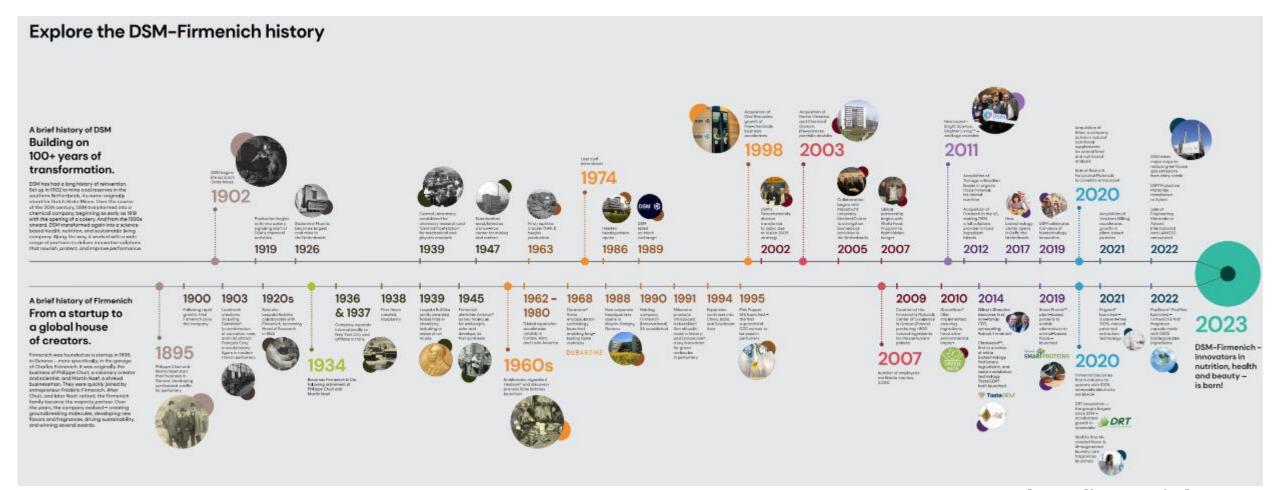
Technology supports realizing "No Surprises"



More than a century of successful transformation



dsm-firmenich ee



Innovators in nutrition, health and beauty



Perfumery & Beauty



Taste, Texture & Health

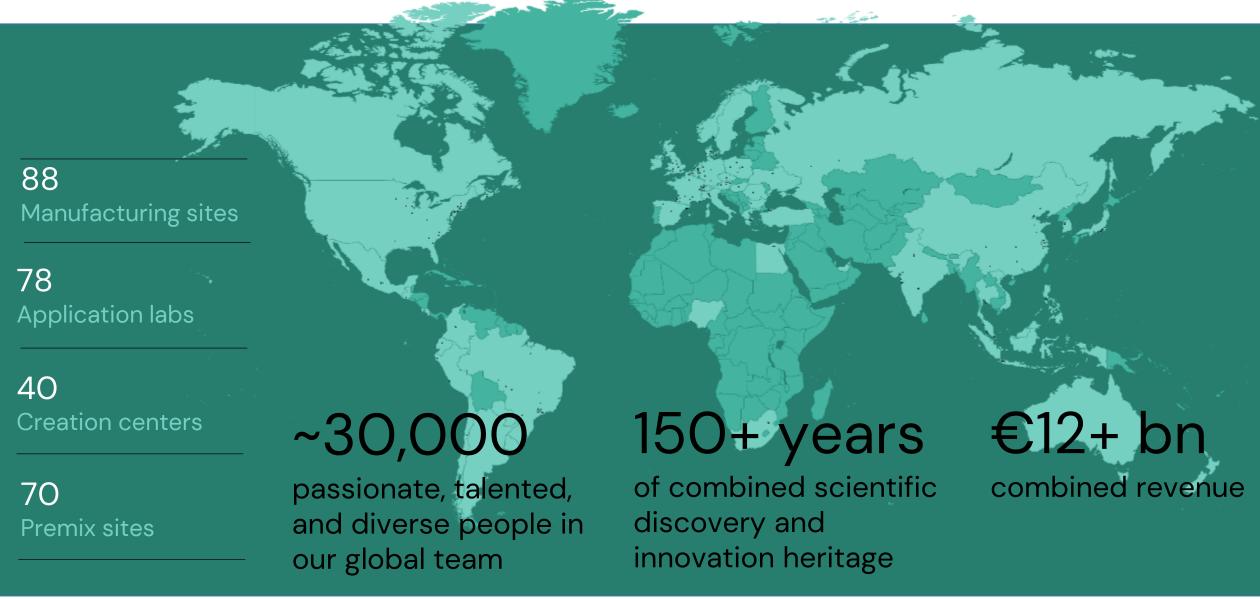


Health, Nutrition & Care



Animal Nutrition & Health

A global group with European roots



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A highly volatile, uncertain, complex and ambiguous world impacting Asset Management



- ✓ Scarcity workforce
- ✓ Technology potential
- ✓ Sustainability challenge
- ✓ Energy transition
- ✓ Data security
- √ High Energy prices
- ✓ Inflation
- ✓ Supply Chain disruptions
- ✓ High customer expectations
- ✓ ...

√ (unpredictable) Fast-Fluctuating demand

DSM's Asset Portfolio (01/23) and Asset Management challenges



- Facilities
 - > 100 facilities (prod / premix / distr / lab / offices) over the globe
 - > 50 Production facilities
- Asset diversity
 - Asset age: from 1y to > xx y
 - Asset Replacement Value: from xx Mio€ to yy Mio€
- Maintenance cost
 - Maintenance cost (Opex): +/- xx Mio€/year
 - Maintenance Life Time Extension cost (CAPEX): +/- xx Mio€/year
- Maintenance organization:
 - Maintenance FTE: +/- xx own people
 - Site maintenance organization: From 1 FTE to > xx FTE
- Maintenance Performance
 - Maturity of organizations: Scattered ... → World Class
 - Performances: Scattered ... → >benchmarks
- Demand → Asset Load:
 - From low demand → high demand
 - Cost focus → Performance focus
- Compliance to many different standards (GMP, etc.)
- Different engineering standards through acquisitions
- Cultural diversity One DSM company language (English)

+ Merge DSM & Firmenich

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(traditional) Asset Care Strategy approach

High

Required Asset Lifetime

Condition Strategy

Asset Strategy: Preventive Maintenance focus on maintaining LT condition (CBM), installations changes for extending lifetime (LTE program)

Intervention Strategy: Cost-efficient execution

Organizational Strategy:, ME capacity -> Repair capability externally, no on-call service

Excellence Strategy

Asset Strategy: RCM based preventive, CBM and predictive Maintenance (Digital supported), Installation changes for extending lifetime and performance improvements

Intervention Strategy: Fast qualitative execution breakdowns, LT availability/reliability-efficient execution

Organizational strategy: RE/ME capacity, Planning & Scheduling, Expert execution capabilities internally, on-call service

Asset Strategy: Basic (minimal) Preventive Maintenance, no installations changes

Intervention Strategy: Repair based on budget availability, Cost-efficient execution

Organizational strategy: limited RE/ME capacity >> Repair capability externally, no on-call service

Asset Strategy: Preventive maintenance with focus on Performance Killers - CBM and predictive Maintenance (Digital supported), , no installation changes

Intervention Strategy: Fast execution breakdowns, ST availability/reliability-efficient execution

Organizational strategy: Planning & Scheduling, Expert execution capabilities internally, on-call service

Performance Strategy

Basic Strategy

Low

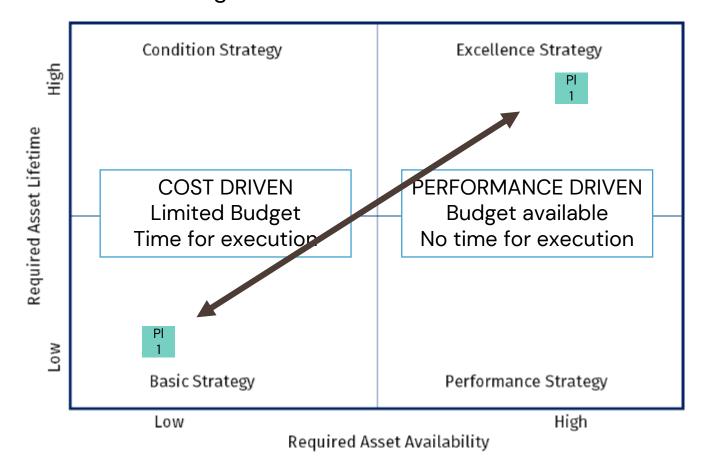
High

Required Asset Availability

Remark: all measures to meet SHE-Q requirements must be included

Asset Care Strategy in a fast-fluctuating demand situation

Traditional approach is applicable in a predictable slow-moving situation



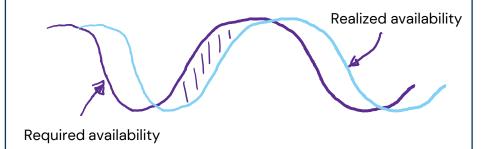
What if

From High → Low demand = from Performance → Cost driven: Cost pressure leads to immediate actions: cutting preventive maintenance, reducing work force

But take care with changing the asset strategy !!!

→ No way back

From low → high demand = from Cost driven to
Performance driven: Low reliability due to backlog
preventive maintenance (delay in results), lack of
capabilities & limited (no) time to execute
modifications & maintenance



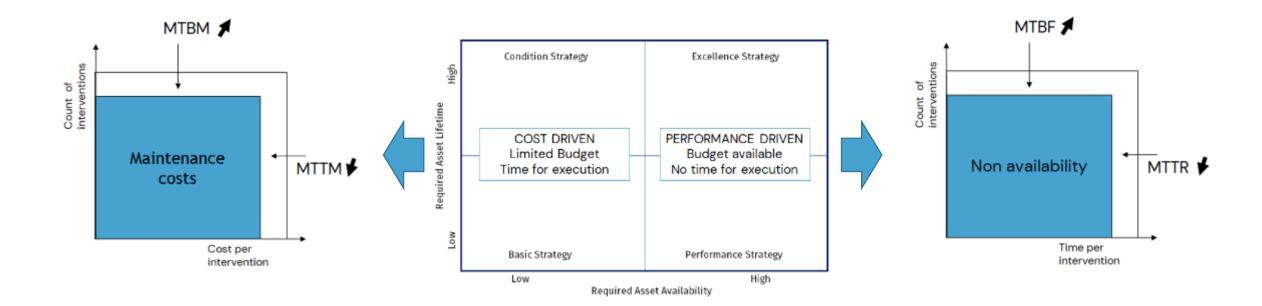
What is an appropriate strategy in a (fast) fluctuating demand situation?



A future proof Asset Care Strategy in a fast-fluctuating demand situation

- Asset Strategy → Reliability → Asset Performance Management
 - No matter if the focus is availability or cost → Reliability serves both

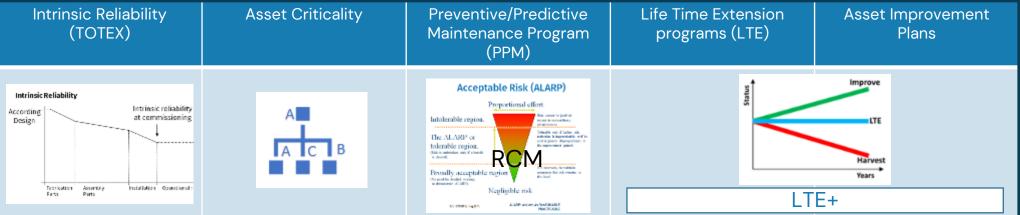




- Organizational Strategy → Quality → Manufacturing Excellence
 - No matter if the focus is availability or cost → Quality serves both

Asset Performance Management: Reliability Today & Tomorrow

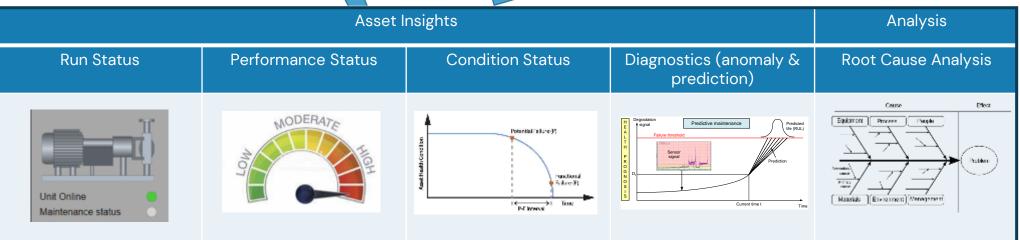








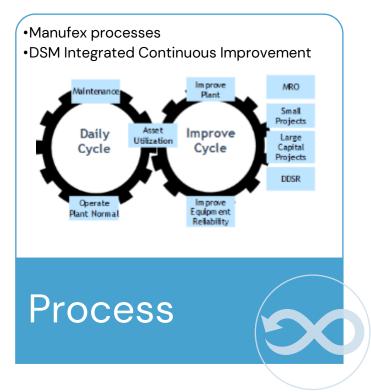
Asset Health

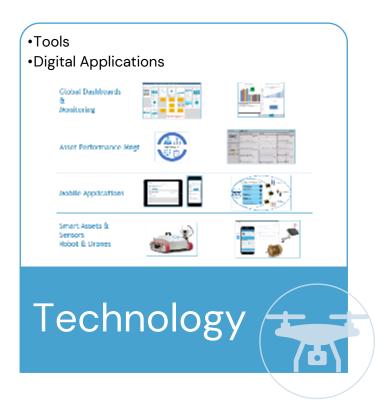




Manufacturing Excellence: Quality Today & Tomorrow







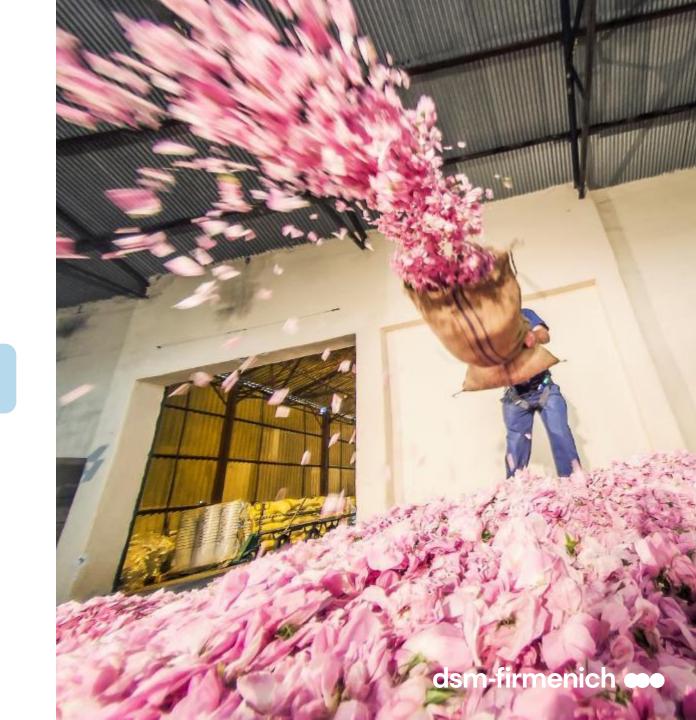
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The Challenges

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The outcome







DSM is uniquely positioned and has capabilities to capture these opportunities

Company of the second of the secon

This creates long-term
purpose-led positive
impact on people
and planet

Responsibility for our own
footprint and people

Caring for the world:
Ambitious food systems
commitments

Health
for for Liveli-

hoods

Building a growth company that delivers long-term, performance-driven profitable growth

Ambitious mid-term profit targets

Mid-single-digit % organic sales growth

Adjusted EBITDA margins >20%

High-single-digit % annual adjusted EBITDA growth

Olatility

OCCRTAINTY

OMPLEXITY

AMBIGUTY

Risk Appetite

DSM's risk appetite



How do we support our sites in Asset Care? → Where the rubber meets the road





Asset Management organized in DSM

DSM level

- Operational Excellence: Secure and develop the DSM core competences: Maintenance & Equipment Reliability (= Asset Care), Operate Plant Normal, ...
- Digital Squads supporting the competences
- Central engineering department

Business Units

 BU strategy and objectives (Growth, hold, harvest, disinvest). Asset Management strategy for the complete BU asset portfolio

Site

 Site, Plant Asset Care and Operations strategy and objectives

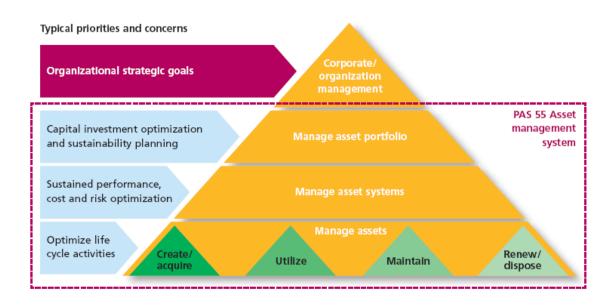
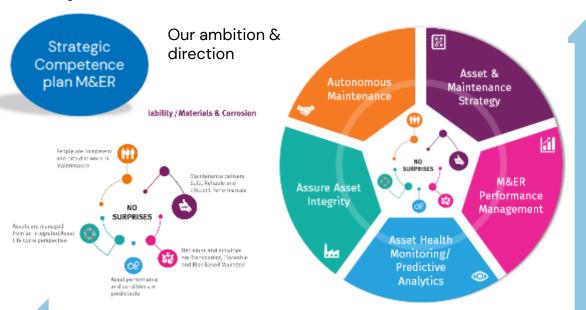
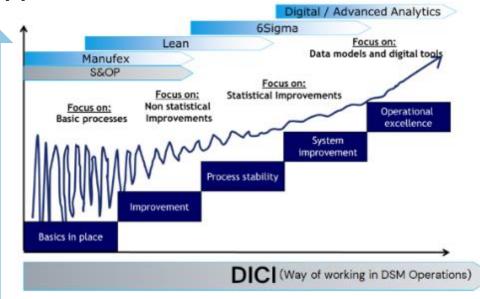


Figure out of PAS55 – 2, 2008 (BSI)

(Corporate) Asset Care Instruments to "make it happen"



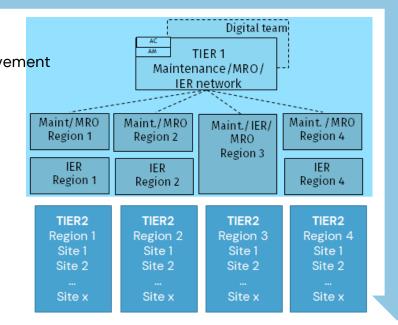


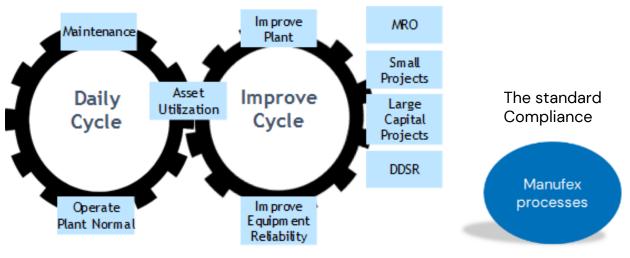
DICI & DIGI Best Practice Mngt

Embedding & Delivery mechanism

BG commitment & involvement Amplifying & leverage mechanism

Networks (TIER1 & 2)





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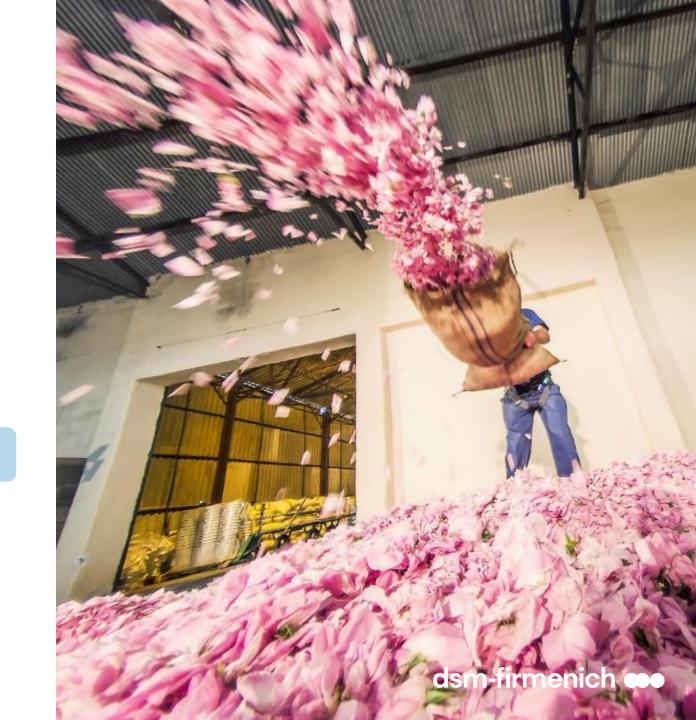
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Technology enables Reliability and Quality to reach "No Surprises"

Create Value: Performance Management



Global Dashboards & Monitoring



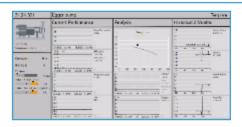


Effectiveness:
Do the Right Thing



Asset Performance Mngt





Efficiency:
Do the Things Right



Mobile Applications







Execute:
Digi In the Field



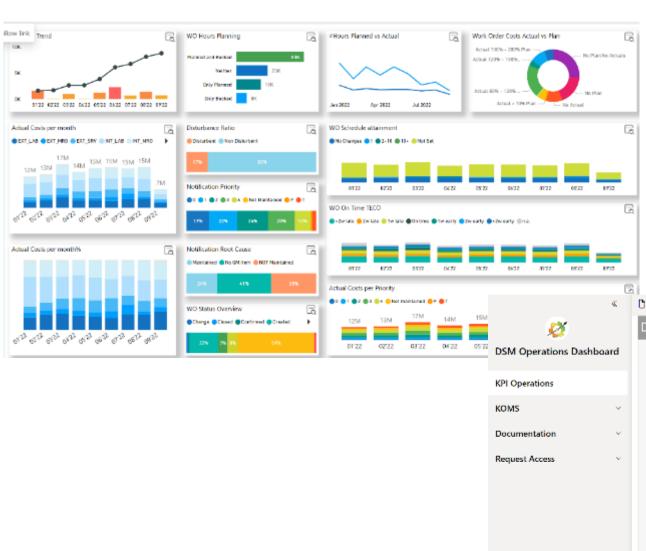
Smart Assets & Sensors
Robot & Drones



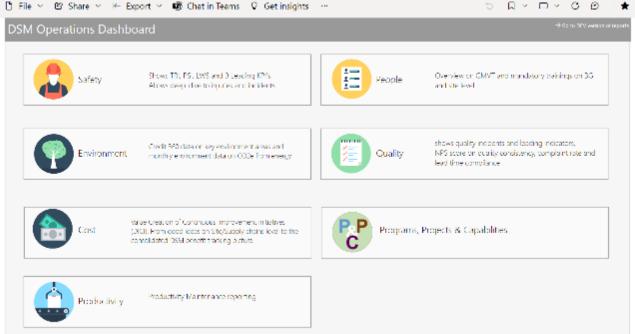


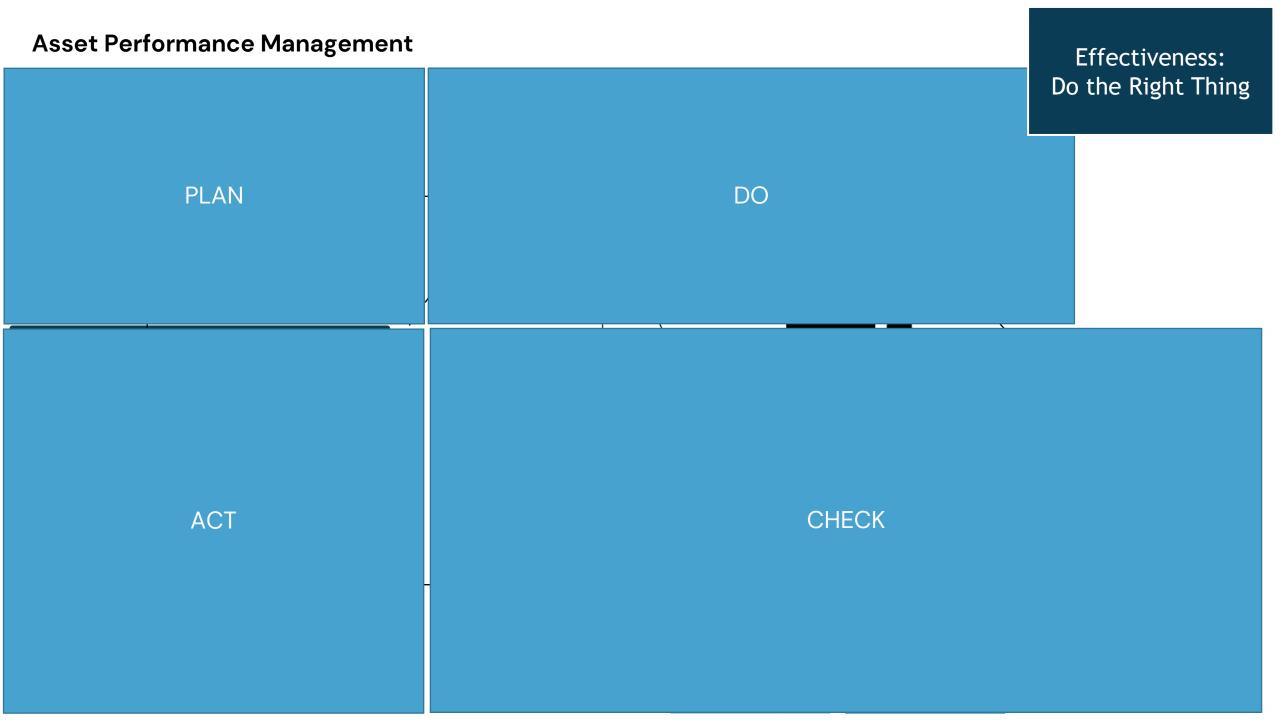
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Global Dashboards



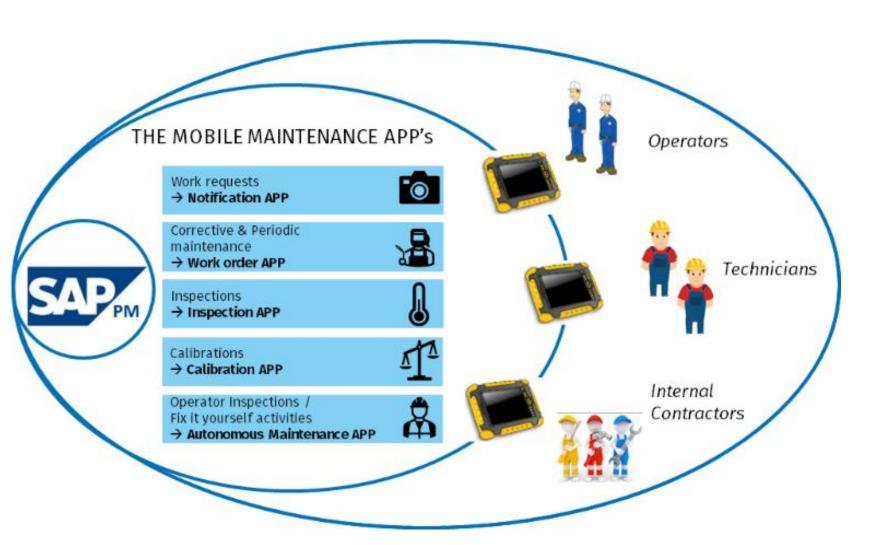
Create Value: Performance Management





Mobile Maintenance Applications (Mendix)

Efficiency: Do the Things Right



- No matter what the maintenance activity is: Corrective, preventive, inspection, calibration or autonomous maintenance and no matter who execute the work: Technicians, operations or internal contractors, ALL maintenance work and results are managed via and documented in "ONE Source of Truth for Maintenance Activities" → SAP PM.
- To make this possible in a user-friendly and efficient way, the Mobile Maintenance APP's are developed as the interface with maintenance work requesters and executers

Asset Sensors - Condition Monitoring

Execute: Digi In the Field

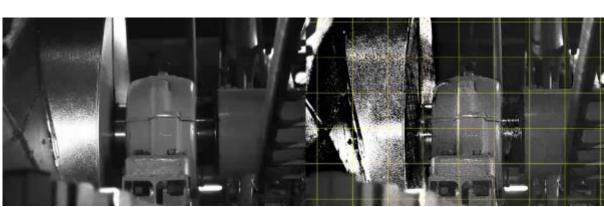


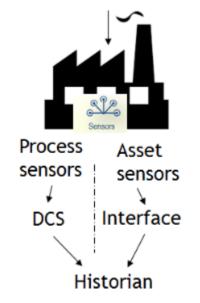














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Inspections

Inspections supported

- By robots
- By drones

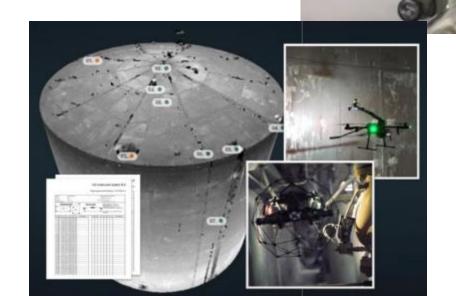


T-9020 Inspection

Execute:
Digi In the Field











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Navigating Uncertain Times: Achieving Resilient Asset Care Management for the Future

Summary:

- A future proof Asset Care Strategy in a fast-fluctuating demand situation >
 Reliability & Quality
- Supporting site Asset Care

 Strategic actions, Manufex processes, Networks & Best Practices
- Technology is the catalyst to unleash the potential of our people, process and assets

Up to "No Surprises" and a future proof Asset Management

We bring progress to life™