

**Briefing –
Meeting with the DSGC, PM and Cabinet Members**

Date: September 1st, 2016

Time: 16-17 pm.

Location: General Affairs - The Hague

Dutch
Sustainable
Growth
Coalition

Attendees from the Dutch Government:

- Mr Rutte, Prime Minister
- Ms Ploumen, Minister for Foreign Trade and Development Cooperation
- [redacted] Top Sectors and Industrial Policy Department
- Ministry of Infrastructure and Environment (I&M) – *to be confirmed*

Advisors from the State departments:

- [redacted]
- Other State departments - *to be confirmed*

Attendees from DSGC:

- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]
- [redacted]

Support liaison officers:

- [redacted]
- [redacted]
- [redacted]

Background

DSGC is an Initiative led by the CEOs of eight Dutch based multinational companies, launched at the World Economic Forum in January 2012. DSGC aims to pro-actively promote sustainable growth business models through a *shape, share and stimulate* strategy.

In the past, DSGC and Prime Minister Rutte (PM) have agreed to meet once a year, to exchange information about the (international) sustainability agenda and related policies. Aim of the meeting is an open dialogue, sharing views from the multinational perspective, and to align and collaborate on international advocacy and policy developing activities referring to sustainable growth.

Previous annual meetings were held (in July 2012, May 2014 and August 2015), with PM Rutte, Ministers and State Secretaries to discuss topics related to the (national) sustainability agenda.

The DSGC expresses its gratitude to PM Rutte and other Cabinet members, to have had a fruitful dialogue the past years about sustainability themes that are of strategic interest for both the Dutch Government as well as for the multinationals participating in the DSGC.

Introduction

The Netherlands rank among the global top 5 when it comes to economic performance and entrepreneurship and is also leading on world indices for factors as happiness, child well-being and sustainable entrepreneurship. It is vital to continue this prospect on a successful and sustainable future, in which economic strength is combined with leadership that fosters prosperity, sustainable growth and inclusiveness.

The DSGC internationally promotes sustainable growth business models. Members of the coalition integrate sustainability in their own business operations and invest in new ways to innovate their products and services in a socially and ecologically sustainable manner. Coalition members are convinced that the Dutch private sector can play an internationally significant and economically profitable role in overcoming many of our world's major challenges.

For the coming years DSGC will therefore explicitly endorse and encourage cross sector partnerships that will contribute to the UN Sustainable Development Goals (Global Goals) in an economically sustainable way. Given our historical 'polder DNA' we are given the ability to effectively work in cross sector coalitions and partnerships.

For these and many other reasons, the Netherlands finds itself in a good position to move to 'next levels', as is further explained in the vision 'NL Next Level', currently campaigned by VNO-NCW, MKB Nederland and LTO Nederland. DSGC supports this vision of NL Next Level, providing a prospect of a successful future in which the economic strength of our country is at the service of leadership that fosters prosperity, sustainability and inclusiveness.

With this in mind, we propose to discuss and brainstorm with Cabinet members on 3 main topics:

- 1) The UN Global Goals;
- 2) Follow up of COP 21/Climate Change;
- 3) Circular Economy.

DSGC contributor:

[REDACTED], Chair of the DSGC and Senior External Advisor to EY

1. Sustainable Development Agenda – ‘Global Goals’

The adoption of the UN Sustainable Development Agenda in 2015, bringing forward 17 indivisible Global Goals, has brought the world a common language and a clear focus on sustainable development for the coming 15 years. With this universal ‘business plan for sustainable development’, we can plan activities and investments over a longer timeframe to develop sustainable innovations and solutions and also to (re-)direct investment flows to the many multi-actor partnerships initiatives that are or will be constituted soon, in the Netherlands and abroad.

DSGC position:

- DSGC is committed to the SDG agenda. Members are currently re-assessing or re-clustering their sustainability strategies and activities, to align them transparently with the SDG agenda.
- Most of the DSGC companies are signatories of the Dutch Charter initiative, co-initiated by DSM. There are many examples of how business collaborates with civil society organisations on specific SDGs in various Partnerships (See for case examples the Appendix 1, page 9).
- As a coalition, in the coming 2-3 years, we will campaign and explicitly endorse the Goals with several activities. For example, it will be central theme at the annual DSGC event on December 8th 2016, that DSGC will organize with the Economic Faculty Rotterdam (EFR) Students Association, liaised to the Erasmus University Rotterdam.
- DSGC considers long term integrated (cross-departments) governance as a crucial factor in creating national impact and progress on the Global Goals. Currently the task of coordination is assigned to (with great leadership of Hugo von Meijenfeldt) the Foreign Affairs Department. We see in business in general that sustainability and strategic longer term agendas are ‘CEO-led’ or governed by the Executive Board.

DSGC contributors:

To discuss and brainstorm (Primarily with Minister Ploumen):

1. How can we ensure robust governance and commitment for the Global Goals, and more specifically, who is politically responsible for the implementation of the Global Goals and its sub targets, including transparent reporting and progress monitoring in the coming years?
2. What actions can be taken in the coming months by the current ministry departments, in order to continue current steps taken also within the succeeding Cabinet and Coalition agreement? Can DSGC be of support in this, in any possible way?

2-A. Climate Change advocacy and COP21 agreement, Energy transition

At the UNFCCC COP21 (1-11 December, 2015) governments have negotiated a new global climate change agreement, aiming to keep the level of global warming well below 2 °C – preferably, 1.5 °C. The next step is now for 197 countries to ratify the agreement including the 28 EU Member States - who together have inter alia the following ambitions:

- a) To support the countries who are most vulnerable to the effects of climate change agreements were also made regarding climate finance (100 billion USD per year as of 2020).
- b) To put adaptation on the international agenda (The Netherlands hosted an important and large Conference in The Hague in May of this year about ‘adaptation’).

- c) To make progress on mitigation, each country submitted a national action plan, so-called Nationally Determined Contributions (NDCs). For example, the NDC of the EU, representing 28 Member States, pledges a 40% emissions reduction between 1990-2030. The current NDCs, if executed in perfection, would not deliver the 1.5-2 °C goal. As of 2020, countries must therefore increase their ambition levels every five years.
- d) Carbon pricing is one of the most important policy instruments mentioned by countries. In 90 NDCs, national governments expressed an interest in using carbon markets to reach their emission reduction targets.

DSGC position:

- DSGC companies work on a structural reduction of their own carbon emissions and report on individual progress in a transparent way. As coalition we have been and still are clear on our climate change position (See Appendix 2, page 11). We all acknowledge the need for a fast and strong reduction of GHG emissions, to avoid irreversible climate change.
- The DSGC applauds the efforts of Minister Dijkema to ensure ratification of the Paris agreement (which is to be done simultaneously with all 28 EU Member States) as soon as possible.
- The coalition urges Cabinet Members to continue their leadership in international advocacy on a global effective carbon market, that will result in an international effective carbon pricing system.
- Some DSGC CEO's are actively involved in the Carbon Pricing Leadership Coalition (CPLC) – launched by the World Bank to catalyze action towards successful implementation of carbon pricing around the world. The CPLC aims at (1) broadening the use of carbon pricing as an instrument (2) deepening price levels so that they have a meaningful effect and, (3) and eventually linking the different carbon pricing schemes around the world).
- KLM and I&M are actively involved in a global Carbon system for airline transport, safeguarding a level playing field.
- To reach COP 21 goals, acceleration of the energy transition is crucial. Energy efficiency and decarbonisation in all sectors of the economy has to be accelerated. This is a matter of a fast implementation of low carbon technology and low carbon energy 'systems' and of implementing an ambitious innovation agenda to develop new low carbon technologies and to make these technologies economic and technical competitive and scalable. A number of companies are involved in for instance the NL Next level energy-transition program and or the acceleration energy transition initiative of Shell and others.

To discuss and brainstorm (primarily with I&M and [redacted]):

1. What is the view of the Cabinet on the different suggestions to achieve a meaningful carbon price in the European context? For example, the efforts [redacted] to encourage other EU countries to adopt a "Carbon price floor"? (The [redacted] already has a floor, and [redacted] use separate taxes).
2. How can the Netherlands further its leadership role internationally, in accelerating the development of a meaningful and globally effective carbon pricing mechanism that supports the COP21 outcome? For example, during the EU ETS negotiations and preparation of COP22, in Marrakech in November 2016;
3. How can the DSGC be of support in making the Netherlands' successfully participate in 'Mission Innovation' (Supported by Philips, Unilever, AkzoNobel, DSM, etc.).

Opmerking [redacted]: See for example, <http://www.reuters.com/article/france-carbon-pricing-idUSL8N19X4SM>

And regarding the national Energy transition:

4. How can we get a widely supported and long term national transition program in place and operational?

5. What actions can be taken in the coming months by the current ministry departments, in order to continue current steps taken also within the succeeding Cabinet and Coalition agreement? Can DSGC be of support in this, in any possible way?

DSGC contributors:

[REDACTED]

2-B. Related to the previous item: DSGC in Dutch (Thematic) Trade missions

Sustainability and sustainable growth business models have been high on the agenda of Dutch trade missions in recent years, being a valuable asset of 'Holland Branding'. Many DSGC companies have joined trade missions in order to showcase innovations and technology, examples, business models or products and services.

DSGC position:

- DSGC companies evaluate collaboration with the Dutch delegates in Trade Missions so far as very positive.
- We see a growing attention for the coalition and its views coming from Dutch Embassies across the world. We share the interest to bring forward the pitch for 'sustainable growth in business' together. DSGC will try to support these requests as much as possible – for example by developing communication materials and a website with DSGC publications and cases.
- DSGC considers putting sustainable growth business models on the standard agenda of Dutch Trade Missions as a valuable way to unleash international sustainability and also great economic value for Dutch companies.

To discuss (Primarily with Ms Ploumen or Mr [REDACTED])

1. A coming trade mission to Asia ([REDACTED] and [REDACTED]) is planned in November.
2. Are there specific things you would like to discuss around this mission?

DSGC contributors:

[REDACTED]

3. Circular Economy and follow up Dutch Presidency EU and NL CH

After having chaired the EU, and having launched a vision on the Netherlands as Circular hotspot (Led by HRH [REDACTED]) – the Netherlands are well positioned as a frontrunner in the Circular economy. The past months, the ministry of I&M has taken the lead to draft a national program for Circular Economy. As one of the many stakeholders, also DSGC provided input with about 10 key and crucial points to take into account.

DSGC position:

- DSGC strongly favours a CE and circular business models - being a crucial driver for future sustainable growth and providing many economic opportunities for Europe and the rest of the world. A circular economy fits well under the Global Goals umbrella.

- With our 4ht publication on Circular Economy (and soon via the DSGC website in development), we have shared and will continue to share our CE practices and learnings, highlighting steps in our own internal circularity journey, in order to encourage others to follow.
- We are very willing to provide input from business perspective regarding the international lobby for a more enabling policy framework. According DSGC, key topics to accelerate the development of a CE in Europe (and the Netherlands) and to strengthen Europe's position in global competition, are:
 - a) An 'internal' European market, supported by harmonized and stimulating regulations on national level that will foster the development of a European Circular Economy at scale
 - b) The development of effective and market based incentives
 - c) Further allocation and channelling of funding to the CE - through existing or new innovation programs and initiatives (e.g. Horizon 2020).
 - d) More focus on execution, quick response when hurdles occur.

To discuss and brainstorm (primarily with I&M)

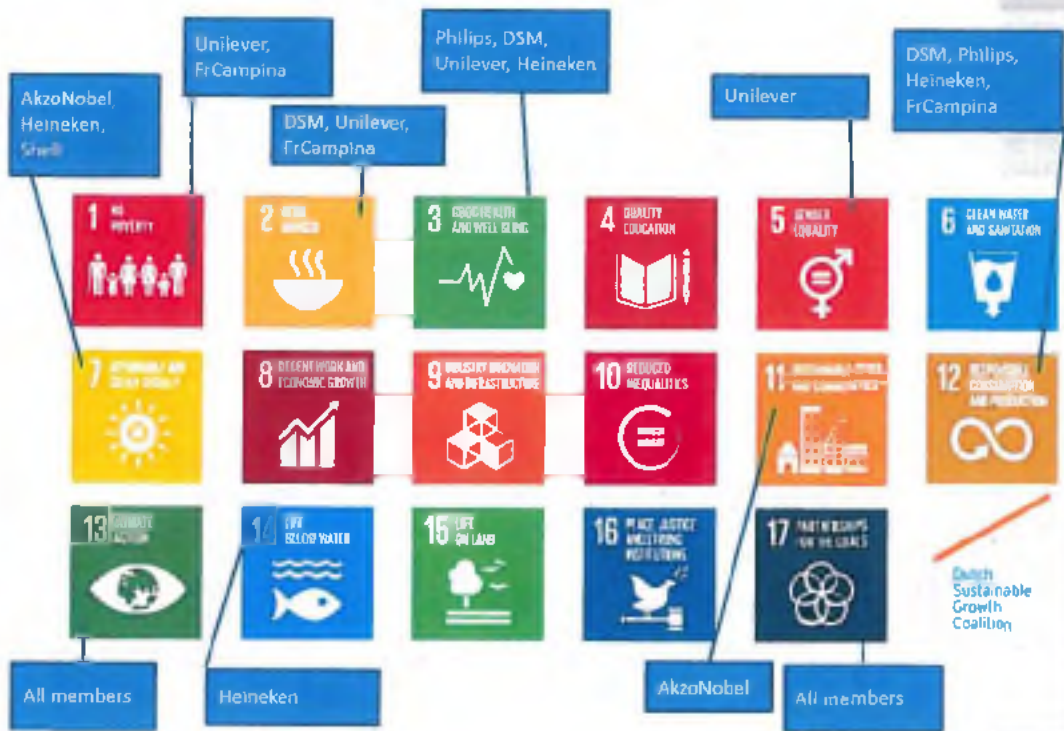
1. What is the Cabinet's evaluation of the Dutch Presidency of the EU, regarding the activities in the field of CE and other sustainability themes?
2. How can we jointly strengthen CE leadership on the EU level?
3. What is the current status of the 'national' (Rijksbrede) program on CE? And what are the next steps/timeline? Will it be managed in an integrated approach, with all departments involved?
4. What actions can be taken in the coming months, in order to continue current steps taken also within the succeeding Cabinet and Coalition agreement? Can DSGC be of support in this in any way?

DSGC contributors:

[Redacted]

Appendix 1: DSGC main involvement in Global Goals and partnership examples

Per member company, the most material Global Goals are indicated:



Partnership Examples:

Company	Case Example - Partner	Impact on GGoal (s)	Brief description (max 100 wrds)
DSM	'Improving Nutrition, Improving Lives' DSM, World Food Programme, UNICEF, WorldVision, Partners in Food Solutions and SUN Business Network.	GG 2 – Zero Hunger	The partnership aims to improve the nutritional value of the food that WFP distributes through product Innovations such as fortified rice. The partnership now reaches over 28.2 million beneficiaries per year. DSM and UNICEF collaborate to support micronutrient programs in Nigeria and Madagascar. The partnership has helped build capacity by supporting the African Nutrition Leadership program, examined the supply chain of micronutrient powder sachets and advocated for the importance of nutrition-related Indicators in the Global Goals.
	CE 100 – Ellen MacArthur Foundation	GG 12 - Responsible Consumption & Production	The CE100 is a pre-competitive innovation program bringing private sector, governments, cities, academic institutions, innovators and affiliates in a multi-stakeholder platform to enable organizations to develop new opportunities and realize their circular economy ambitions faster.
	UN Global Compact Carbon Pricing Leadership Coalition (CPLC), Low Carbon Technology Partnerships initiative (LCTPI), Prince of Wales Corporate Leaders Group (CLG), WEF CEO Climate Leaders, We Mean Business, RE100	GG 13 - Climate Action	DSM works with UN Global Compact to advocate for carbon pricing, and sets an internal carbon price. Progress is reported as part of our Annual Report. Within the CPLC DSM shares experiences working with carbon pricing, whereby DSM CEO Felke Sijbesma is a co-chair. DSM is also board member of 3 European public private partnerships (Bio-based Industries Consortium, Sustainable Process Industry through Resource and Energy Efficiency (SPIRE) and European Technology Platform for Sustainable Chemistry (SusChem). More info to be found on http://www.dsm.com/corporate/sustainability/climate-change/advocating-climate-action.html
Alzo Nobel	Human Cities <ul style="list-style-type: none"> Rockefeller Foundation's 100 Resilient Cities program Global Clinton Foundation Johan Cruyff Foundation 	G11 - Sustainable cities and communities	The Human Cities initiative is our commitment to improving, energizing and regenerating urban communities across the world. From revitalizing favelas in Brazil, to restoring historic landmarks and creating jobs for young people in the UK, we try to give back to the communities in which we operate.
	Human Cities Coalition <ul style="list-style-type: none"> Ministry of Foreign Affairs, Rotterdam and, Utrecht, Dutch companies like Arcadis, Philips, ABN Amro and many more 	G11 - Sustainable cities and communities	In 2015 we co-founded the Human Cities Coalition, which brings together a unique public-private partnership of similar-minded Dutch organizations from government, NGOs and business to focus on realizing UN Sustainable Development Goal 11 on sustainable cities and communities. This Human Cities Coalition focuses on issues including land rights, public spaces, drinking water, sanitation, drainage, housing and healthcare facilities.
	STIPP – the Sustainable Trade Initiative on Trade and Pulp	G15 Life on Land	A sector wide trade initiative in Indonesia on deforestation
Friesland-Campina	Development of a more climate-friendly dairy sector with Ministry of Economic Affairs, utility companies, waste management companies, green investors, WUR, Circular Economy NL etc.	GG 13 Climate action	Frontrunning in development of climate-friendly dairy sector. Is rolling out innovative and circular programs for renewable energy, CO2 reduction (and soil enrichment) through manure valorization (at farm level plus larger scale installations). FC has built dairy factories powered by low-emission pyrolysis oil, biomass, biogas from manure.
	Small farmers support, education and micro-finance provision in SE Asia and W-Africa (Dairy Development Program). Partners: Agriterro, Min of Foreign Affairs, Rabobank Foundation	GG's 1, 2, 3 and 8	Small farmers technical support, training and education, partly on FC model farms plus micro-finance provision (Dairy Development Program since 20 years) in SE Asia and W-Africa. Aimed at tens of thousands of small farmers in the dairy farming sector in developing countries. Both FC employees and member farmers are involved in local training programs
	Helping to secure food and nutrition security for refugees and victims of natural disasters through a long-term partnership on a worldwide	GG 2 Zero Hunger	Partnership signed in 2012, founding partner of global 'Ready to Help' Initiative. Together with the Red Cross Nigeria organization FrieslandCampina's local affiliate company Wamco is fully involved in providing support, relief aid and basic dairy nutrition to people in need

	scale with our partner the Red Cross		In the camps for displaced persons who fled from the northern regions of the country.
HEINEKEN	Local Sourcing partnering for growth in Africa <ul style="list-style-type: none"> Ministry of Foreign Affairs EUCORD (NGO, Brussels) Local partners such as Ethiopia's Agricultural Transformation Agency. 	G1 - No Poverty G2 - Zero Hunger G8 -Decent Work and Economic Growth	HEINEKEN's commitment is to have 60% of its agricultural raw materials used in Africa to be locally sourced within the continent, by 2020. Our local sourcing programme supports smallholder farmers with seeds, technology, loans, providing security for farmers and their families. This agreed demand enables collaboration with local microfinance organisations, which allows farmers to obtain short-term loans to buy the better seeds and fertilizers needed to improve yields and increase incomes. By end of 2015 we sourced locally in 11 operating companies across Africa, through 24 different sourcing initiatives. These projects involve around 120,000 farmers, creating benefit and greater economic empowerment for 840,000 family members.
	Promoting Water Stewardship <ul style="list-style-type: none"> United Nations Industrial Development Organisation (UNIDO) 	GG6 - Clean water and sanitation G12 - Responsible consumption and production G15 - Life on Land	In water-stressed areas all over the world, there are competing demands for water from multiple players, from industry to government. Collective action is needed. To facilitate this, we entered a partnership with UNIDO in 2015. The aim of the partnership is to promote inclusive growth in developing countries with a focus on water conservation. HEINEKEN and UNIDO are jointly organising three-day stakeholder engagement workshops to develop a shared vision on the most important water issues and on collective efforts needed to address them. We co-hosted our first workshops in Ethiopia and Nigeria. More countries will follow in 2016, including Indonesia.
	Providing access to healthcare <ul style="list-style-type: none"> PharmAccess GBCHHealth Stop TB Partnership HEINEKEN Africa Foundation 	G3 Good Health & Well-being G6 Clean water and sanitation	Since 2001, we have worked with Dutch NGO PharmAccess to provide HIV medication for employees and their family members in Africa (even if they leave the Company). Since 2014 we have extended this programme to Asia. The HEINEKEN Africa Foundation has built a strong expertise on Mother & Child Care and Water, Sanitation and Hygiene projects. Besides, it is addressing communicable diseases like malaria and TB. Since its launch the HEINEKEN Africa Foundation has committed up to EUR 7,2 million to 83 different projects.
UNILEVER	Business & Sustainable Development Commission <ul style="list-style-type: none"> UNGC, WBCSD, UNF, ICC Companies involved include Unilever, Ericsson, Alibaba, CITI Group and many others. 31 CEOs as Commissioners Governments of the Netherlands, Denmark, Sweden, UK and Australia 	All SDGs	Unilever is a founding partner of the Business & Sustainable Development Commission, which brings together leaders from business, finance, labour and international organization with the twin aims of both articulating and quantifying the economic prize that business stands to gain if the SDGs are achieved, and to set out a comprehensive map of how business can contribute to the SDGs' achievement. The first milestone of the Commission is to launch its report with key findings in January 2017.
	Handwashing behavior change programme <ul style="list-style-type: none"> UNICEF 	SDG#3 - Good Health SDG #4 - Quality Education SDG#6 - Clean Water and Sanitation	Lifebuoy runs the largest handwashing programme and has scaled up its programme year on year, reaching 337 million people since 2010 - with the aim to help children reach the age of 5. This is part of our aim to help more than 1 billion people take action to improve their health and wellbeing.
KLM	Front running in sustainable airline industry regarding: <ol style="list-style-type: none"> Infrastructure; Development of market sustainable biofuels, CO₂ Zero offset program for passengers); and Responsible catering. 	Goal 9 Goal 12 - responsible consumption & production Goal 13 - Climate action & Goal 7 - clean energy Goal 17- partnerships for the goals	KLM operates at the beginning and at the end of different supply chains. With available skills and knowledge we invest in consumers awareness about the environmental impact of flying with focus on ambitions on Energy use/Climate, responsible catering and waste. For years KLM has been partnering with WWF-NL to develop ways that have impact on all the goals mentioned. Locally, KLM offices are taking efforts to see how they can contribute to sustainable and livable communities with focus on the Maastricht Schiphol.
Shell	LNG for heavy duty road transport and shipping	GG 13 - Climate Action	Cleaner fuels meet increasing demand for CO ₂ efficient transport. Cleaner-burning LNG is a fuel for heavy-duty road transport, shipping

			<p>and industry that is virtually free of sulphur emissions and has lower levels of nitrogen dioxide and particulates. It can be used as an alternative transport fuel to diesel and heavy fuel oil.</p> <p>Since 2015, Shell is able to import and use storage capacity at the Gas Access to Europe (Gate) LNG terminal in the Netherlands, which enables us to supply LNG to marine and road transport customers in north-west Europe. Shell is also using the terminal to supply LNG fuel to its growing truck-refuelling network in the Netherlands. Shell also signed an agreement to charter 15 new inland dual-fuel barges. They will run predominantly on LNG and are expected to use the new Gate terminal.</p>
PHILIPS	United Nations initiative Every Woman Every Child	GG 3 - Good health and Wellbeing	<p>Royal Philips is part of the UN Initiative Every Woman Every Child and has committed to improving the lives of 100 million women and children by 2025. Philips underlines the need for improving lives in areas where maternal and infant mortality is concentrated and where nutrition and energy challenges are most acute. In the Philips Healthy People, Sustainable Planet Program 2020, a target of 130 million lives improved in underserved markets has been set.</p>
	Global partner of the Ellen McArthur foundation	GG 12 - Responsible Consumption and Production	<p>Philips is one of the Global Partners of the Ellen McArthur foundation. The focus is on convening value chain partners to develop, pilot and validate circular value propositions; development of thought leadership and dissemination of key insights; development of assets and resources required to scale change across the business. In the new Sustainability 2020 program a target of 15% of total revenues from circular solutions has been set, next to a target of 70% for Green revenues.</p>

Appendix 2 - Combatting Climate Change through business action

Urgent action via global approach is necessary

The Dutch Sustainable Growth Coalition (DSGC) acknowledges and supports the wake-up call from scientists, policy makers and think tanks about the urgent need for a reduction in greenhouse gas emissions to avoid irreversible climate change and the forecast disastrous effects on society, the economy and nature. The DSGC acknowledges the IPCC Fifth Assessment Report - Climate Change 2013 and the Action 2020 Executive Brief on Climate Change from the WBCSD, Stockholm Resilience Centre and Stockholm University.

Climate change is, by definition, a global issue. Since the Kyoto Protocol was established in 1997, emissions of greenhouse gases have increased by 50% and have spread over the entire world. Effective action is required across the globe, since no country or continent can do it alone. DSGC companies see it as their responsibility to act individually, to engage and stimulate other business leaders and companies to act accordingly. The private sector will play a decisive role in tackling climate change through innovations and sustainable business. A true transformation will need strong leadership from governments all over the world.

The DSGC companies pledge:

- To take responsibility for helping develop innovations and new technology to reduce greenhouse gas emissions significantly;
- To take action to voluntarily reduce their environmental footprint and reduce CO₂ emissions;
- To support government action to set the "context and rules" via a global agreement on climate change;
- To advocate for the acceleration of the transition to a more sustainable economy.

The DSGC companies have a strong desire to be frontrunners in this respect.

The DSGC companies look to governments to deliver:

- A global, effective carbon market as a primary driver for sustainable innovation, efficiency improvement and greenhouse gas reduction all over the world;
- A carbon market that results into a global, effective and meaningful carbon price; and
- A global climate change agreement which facilitates and supports global market mechanisms as much as possible.

The DSGC companies look forward to working in partnership with governments and other interested stakeholders to bring about these necessary conditions for success.