

Company	
Country	Netherlands
Number of Employees	21'280
Web	www.dsm.com

Share	
Market cap (mil)	5'982
Currency	EUR
High 52 week	40.0
Low 52 week	27.9
Last Price	29.6

Key Data	2005	2006E
Sales (mil)	8'012	8'281
EPS	2.93	2.95
P/E Ratio	10.12	10.03

Source: Bloomberg / August 21, 2006

Sales in	
Alcohol	No
Armaments	No
Firearms	No
Tobacco	No
Gambling	No

Source: ISS, SAM Research

Company Description

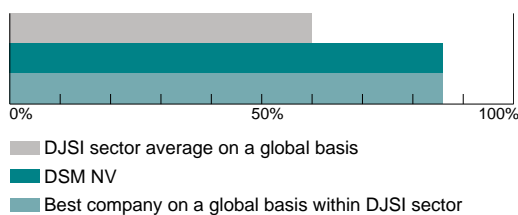
Headquartered in the Netherlands, Koninklijke DSM NV is a worldwide corporation structured into four business clusters: Life Science Products, Nutritional Products, Performance Materials and Industrial Chemicals. DSM's products are used in a wide range of end markets and applications such as human and animal nutrition and health, cosmetics, pharmaceuticals, automotive and transport, coatings, housing as well as electrics & electronics (E&E). The company ranks among the global leaders in many of these fields. After the successful completion in October 2005 of the business strategy "Vision 2005", DSM launched "Vision 2010", a strategy aimed to accelerate growth of its specialty portfolio through market-driven growth and innovation, increased presence in emerging economies and operational excellence.

Sustainability Performance

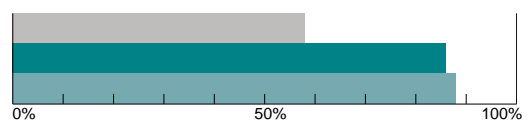
DSM remains leader in the chemical sector for the third year running, and continues to successfully integrate sustainability into its business strategy. Sustainable development at DSM is driven by the "Triple P: People, Planet and Profit" approach, which devotes special attention to corporate governance and risk management, innovation (improved processes and products aimed to reduce the ecological footprint), occupational health & safety as well as human capital development. In 2005 and as part of DSM's new strategy program "Vision 2010: Building on Strengths", the company set new environmental targets for the period until 2010 including switching from petroleum derived to renewable raw materials via "white (or industrial) biotechnology". Industrial biotechnology is a broad field that includes the manufacture of bioplastics and biofuels based on enzymes as well as using micro-organisms and plants for the treatment of wastes and abatement of pollution (bioremediation). Currently, 20% of DSM's products are manufactured using white biotechnology. Recent sustainability developments at DSM also include the introduction of a new and reinforced code of conduct for suppliers. Launched globally in January 2006, the policy aims to involve suppliers into DSM's efforts to improve working conditions and safety in addition to health and environmental performance throughout the company's supply chain.

Sustainability Scores

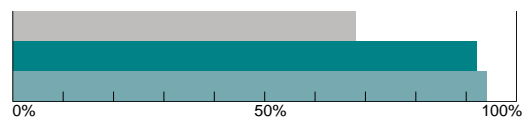
Total Score



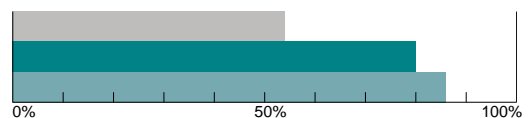
Economic Dimension



Environmental Dimension



Social Dimension



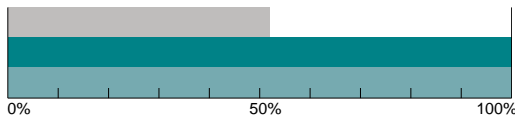
Industry Driving Forces

The chemical sector comprises companies that manufacture and distribute commodity chemicals, specialty chemicals, industrial gases, agrochemicals and pharmaceutical hybrids. The key driver in the chemical sector is the development of innovative processes and products. In this context, the recently heightened awareness of the environment impacts associated with established chemical processes has led to considerable pressure, both legislative and consumer driven, upon the chemical industry to adopt a cleaner and "greener" work ethic. The design and development of products and processes in a more sustainable way is based upon the use of alternative feedstocks and reagents, the use of catalytic reactions and biocatalysis, and in the replacement of traditional solvents and hazardous reagents. The development of novel products and application will see the need for implementing a comprehensive product stewardship management system, including product databases and client/customer training. In such a knowledge driven industrial environment, the successful management of talent attraction and human capital development will remain a strong source of competitive advantage. In addition, build and maintain stakeholders' trust towards the industry core technologies and activities will remain of extremely importance.

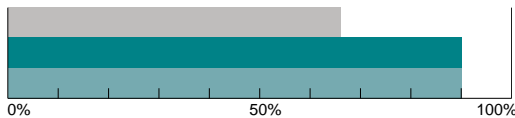
Company Performance for selected Criteria

Economic

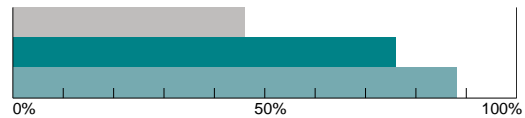
Business Development



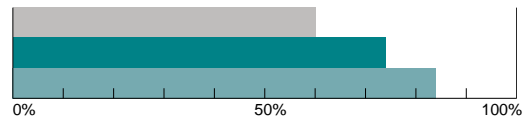
Corporate Governance



Risk & Crisis Management

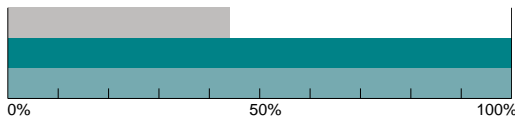


Codes of Conduct/Compliance/Corruption & Bribery

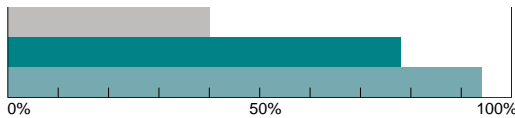


Environmental

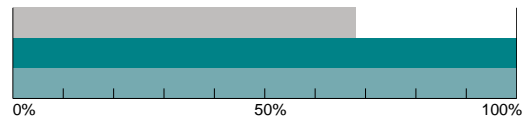
Advanced Environmental Performance



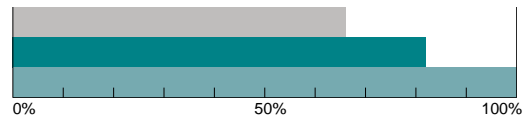
Climate Strategy



Product Stewardship

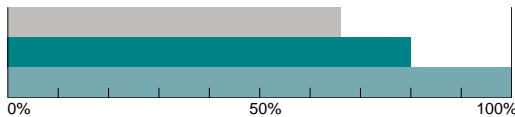


Environmental Performance (Eco-Efficiency)

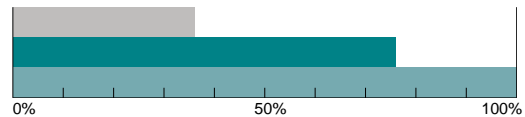


Social

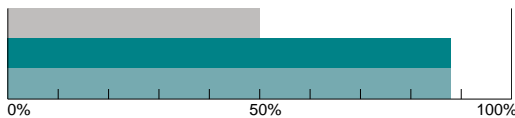
Occupational Health & Safety



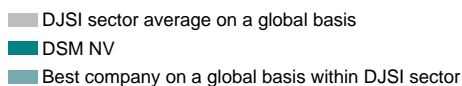
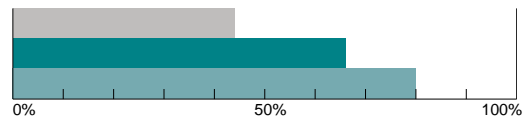
Human Capital Development



Standards for Suppliers



Talent Attraction & Retention



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