Global Reporting Initiative Report

Including:

- UN Global Compact Communication on Progress
  - Appended: CEO Water Mandate Update for 2008

Dow Attains an Externally Verified Application Level of A+
The Dow Chemical Company
2008 Global Reporting Initiative Report

For the sixth year The Dow Chemical Company (“Dow”) provides a Global Reporting Initiative (GRI) report. We are using again the generation 3 (G3) guideline. The GRI report covering 2008 is designed as a supplement to other documents which may also be of interest:

- Dow 2008 Corporate Report to Stakeholders
- Dow Code of Business Conduct
- Dow 2008 10-K and Stockholder Summary
- Dow 2009 Annual Meeting Proxy Statement

For an update on current progress on sustainability topics, see our quarterly update on 2015 Sustainability Goal progress.

Except as otherwise indicated by the context, the terms “Company” or “Dow” as used herein mean The Dow Chemical Company and its consolidated subsidiaries, including the Union Carbide Corporation (“UCC”).
At Dow, we have always believed that the role of chemistry is to do more good in the world.

Seen this way, the work of chemistry suddenly moves from focusing on the basics of business – products and bottom lines – to life itself. In short, we are committed – through chemistry – to the betterment of global humanity. And it is this commitment that drives all of our strategies for growth and profitability.

As a part of the company’s 2015 Sustainability Goals, the people of Dow are committed to using resources more efficiently, providing value to our customers and stakeholders, delivering solutions for customer needs and enhancing the quality of life of current and future generations.

Dow strives to respond to all the individual items of the GRI G3 template. We believe it is important to make this information publicly available and we want it to be useful to interested parties who may desire to use GRI indicators in a comparative way, even if that makes the report longer and the format more complex. We continue to look for opportunities to improve our GRI report.

Following the success of our 10-year 2005 Environment, Health and Safety (EH&S) Goals, in 2006 we set the bar even higher with the introduction of a more ambitious, next-generation set of goals. We are focusing our efforts on strengthening our relationships within the communities where we operate, continuing to improve our product stewardship and innovation to solve some of the world’s most pressing problems, and to reduce our global footprint.

For an overview of our progress, updated each quarter, please visit our Sustainability Reporting site on Dow.com.
Here is how to use this report.

Recognizing the size and complexity of this report, we have made every effort to make it easy for you to find what you’re looking for. Here are some helpful features to note as you review this document:

• **Color Coded Sections.** There are seven main sections to the report, each identified by a distinct color:
  - Strategy and Profile
  - Economic Disclosure
  - Environmental Disclosure
  - Labor Practice Disclosure
  - Human Rights Disclosure
  - Social Disclosure
  - Product Responsibility Disclosure

• **Hyperlinked Index.** At the front of the report, you will find a hyperlinked index for each main section (with matching color codes), as well as an additional cross-referenced COP Index to information found throughout the report that is relevant to the 10 Global Compact Principles. A mouse-click on the indicator descriptions within each index will take you directly to that indicator within the report.

• **“Back to Index” Button.** At the bottom of each page in the report, you will find a “Back to Index” button. This will allow you to easily return to the index, eliminating time-consuming scrolling.

• **Additional Links to Supporting Information.** As you review the report, you will find additional hyperlinks embedded in the text. We have included these live links to help you quickly find background and supporting information relevant to specific claims.

As always, we are open to your feedback. Please submit any suggestions for improvements to this document to:

Peter N. Deal  
Sustainability Program Management Office (PMO)
Index for GRI report in G3 format covering 2008
# Strategy and Profile of The Dow Chemical Company

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Communication on Progress (COP) Index to Global Compact Principles

The following section is Dow’s index organized around the ten Global Compact Principles. It is also cross-referenced to relevant Global Reporting Initiative (GRI) indicators. More information and data are available in our 2008 Corporate Report and on our website.

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**Principle 1 – Human Rights**
Businesses should support and respect the protection of internationally proclaimed human rights.

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<tr>
<td><strong>Principle 4 – Labor Standards</strong>&lt;br&gt;Businesses should uphold the elimination of all forms of forced and compulsory labor.</td>
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### Principle 6 – Labor Standards
Businesses should uphold the elimination of discrimination in respect of employment and occupation.

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### Principle 7 – Environment
Businesses should support a precautionary approach to environmental challenges.

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### Principle 8 – Environment
Businesses should undertake initiatives to promote greater environmental responsibility.

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**Principle 9 – Environment**
Businesses should encourage the development and diffusion of environmentally friendly technologies.

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| EN5          | Energy saved through improvements | 53       |
| EN6          | Initiatives related to renewable energy | 53-54    |
| EN10         | Water recycled and reused | 56       |
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| EN27         | Products and packaging materials reclaimed | 63       |
| EN30         | Environmental protection expenditures | 64       |
| SO5          | Public policy positions and lobbying | 81-83    |

**Principle 10 – Anti-corruption**
Businesses should work against all forms of corruption, including extortion and bribery.

| SO2          | Units analyzed for risks related to corruption | 80       |
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| SO4          | Actions in response to incidents of corruption | 80-81    |
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The Dow Chemical Company

United Nations (UN) Global Compact

2008 Communication on Progress (COP)
The Dow Chemical Company
United Nations (UN) Global Compact
2008 Communication on Progress (COP)

At The Dow Chemical Company, corporate citizenship is a critical component of our strategic theme of “Setting the Standard for Sustainability.” It means we are focused on local citizenship, sustainable product innovations, and global footprint reduction. It means contributing to community success, fostering a diverse and engaged workforce, and being accountable and responsive to stakeholders. It is the spirit and passion of our employees - the Human Element - living our corporate values of Integrity and Respect for People every day. It is over 112 years of Dow people and others working together to apply science and innovation to improve the human condition.

In short, “Setting the Standard for Sustainability” is our desire to have corporate citizenship inherent in everything we do as a global corporation, directly supporting our vision of being the largest, most profitable and most respected chemical company in the world.

Corporate citizenship includes our values and code of conduct - how employees are treated and expected to behave, what local communities can expect from us and our relationship to them, what shareholders can expect in terms of corporate governance and what other stakeholders can expect with regard to listening and dialogue.

Dow’s membership in the UN Global Compact - the world’s largest voluntary corporate citizenship initiative that is comprised of over 4,700 companies from more than 120 countries - shows our Company’s commitment to “embrace, support and enact” a set of core values in the areas of human rights, labor standards, the environment and anti-corruption.

Supporting the 10 principles of the Global Compact aligns with our company values, our Code of Business Conduct and with the broad reach of our 2015 Sustainability Goals. It also provides an opportunity for Dow to take a more active role in the world around us and to expand our collaboration with like-minded stakeholders at a level where we can truly make a difference.

The Dow Chemical Company has many endeavors, including some that have begun this past year, that are underway to support the UN Global Compact. Among them are:

• Our Code of Business Conduct addresses many of the ethical principles and policies created to deal with issues such as bribery, political contributions, diversity, equal opportunity, labor practices, respect in the workplace, and environment, health and safety. All directors, officers, and employees are expected to adhere to the Code of Business Conduct in the daily performance of their job responsibilities. We expect the same from our suppliers and customers. The Code of Business Conduct, as well as our human rights position statement, can be found on our Company’s website.

• Following the success of our 10 year, 2005 Environmental, Health and Safety (EH&S) Goals, we set the bar higher with the introduction of a more ambitious, next-generation set of goals – our 2015 Sustainability Goals. These outline our commitments to not only reduce our own global footprint, but also to drive our growth and profitability by focusing our products and innovation on helping to solve global challenges such as climate change, sustainable water supplies and human health, as well as contribute to the success of the communities in which we operate.

• Our focus on Contributing to Community Success includes conducting research to assess the quality of life in key Dow locations around the world, and to understand and prioritize local environmental, social and economic needs in the communities in which we operate. The research ensures that we are a good neighbor and partner in our 150 global communities.

• As part of our 2015 Sustainability Goals, our Sustainable Chemistry goal intends to innovate and reshape Dow’s product portfolio and businesses to be more sustainable, and ultimately change the game in our industry through more sustainable chemistry. RENUVA™ Renewable Resource Technology from Dow is now being used by one of the world’s largest mattress manufacturers. The bio-based foam delivers environmental benefits and uses soybeans as the primary raw material rather than oil or natural gas. We also are working on the details that will lead to the construction of the first world-scale polyethylene facility using sugar cane as a renewable feedstock in Brazil.
• Dow offers an integrated global training curriculum that incorporates diversity and inclusion training for employees at all levels. From new hire orientation to mandated training for new leaders, diversity and inclusion training gives our employees the tools to cultivate an inclusive work environment.

• Dow and The Dow Chemical Company Foundation are committed to sustainable programs that improve students’ understanding of math, science, technology and the environment. Dow Brazil and Jean-Michel Cousteau’s Ocean Futures Society launched the Ambassador of the Environment Program in Guaruja, Brazil. This partnership with Cousteau is designed to connect young people with the environment and teach them how to live more sustainably.

• Dow is a founding signatory of the UN Global Compact CEO Water Mandate and Caring for Climate initiatives. We’re also a member of the United States Climate Action Partnership (USCAP).

These are just a few examples that not only reaffirm how Dow is supporting the 10 Global Compact principles, but also demonstrate the way in which we implement our business strategy. Participation in the UN Global Compact is an invaluable tool that helps us achieve our vision of being the largest, most profitable and most respected chemical company in the world.

Andrew Liveris
Chairman and Chief Executive Officer
The Dow Chemical Company
June 25, 2009

For more information on Dow’s participation in the UN Global Compact, please contact:

R. N. (Bo) Miller
Global Director of Corporate Citizenship
1-989-636-1204
Index for GRI report in G3 format covering 2008
1. Strategy and Analysis

1.1 Statement from CEO presenting overall vision

At Dow, our Vision is “To be the largest, most profitable, most respected chemical company in the world.”

Our Mission: “To constantly improve what is essential to human progress by mastering science and technology.”

At Dow, you’ll find the world’s best problem solvers working on the world’s biggest problems. We are committed through chemistry to help solve the challenges of adequate food supply, decent housing and clean, drinkable water. We see sustainable development as an opportunity to tap new markets that create value for our customers, consumers and the planet. Our 2015 Sustainability Goals help keep us accountable to reducing our global footprint, improving product life cycle stewardship and directing the power of innovation to improve lives.

By integrating sustainability elements into every facet of our business – from our product offerings to our energy use – we are creating a better future for our Company and the world.

To read more about Dow’s vision and mission, visit our corporate website. Readers can also refer to the letter by CEO Andrew Liveris to stakeholders reporting on the Dow UN Global Compact Communication on Progress.

1.2 Description of Key Impacts, Risks, and Opportunities

2015 Sustainability Goals bring focus and accountability

Since 2006, Dow has continued to pursue the broad opportunities as defined by our 2015 Sustainability Goals that target specific accomplishments by the year 2015. We will focus our efforts on strengthening our relationships within the communities where we operate, continuing to improve our product stewardship and innovation to solve some of the world’s most pressing problems, and to reduce our global footprint.

Our goals, inspired by the UN Millennium Development Goals, are consistent with the science and technology we know best. These goals will drive our profitable growth while addressing the challenges of water supplies, food supplies, housing, personal health, energy, climate change and protection of the environment.
Through our 2015 Sustainability Goals, Dow is seeking to set the standard for sustainability. Listed below is each area of focus:

- Breakthroughs to World Challenges
- Sustainable Chemistry
- Product Safety Leadership
- Addressing Climate Change
- Energy Efficiency and Conservation
- Local Protection of Human Health and the Environment
- Contributing to Community Success

A more robust description of each goal is below.

Three of Dow’s 2015 Sustainability Goals address product related solutions. The goals are helping prioritize and address aspirational challenges and opportunities.

**Product Safety Leadership**
We are the first chemical company to make non-technical language summaries of our product safety assessments accessible to the public on our Web site. The assessments cover topics such as basic hazards, use, risk and risk management. We will complete evaluations on high priority products by 2010 and for all products by 2015.

**Sustainable Chemistry**
Sustainable chemistry is our “cradle to cradle” concept that drives us to use resources more efficiently, to minimize our footprint, provide value to our customers and stakeholders, deliver solutions for customer needs and enhance the quality of life of current and future generations.

**Breakthroughs to World Challenges**
We are actively working toward, and committed to achieving, at least three breakthroughs by 2015 that will significantly help solve the challenges of: adequate food supply, affordable housing, alternative energy, sustainable water supplies, or improvements in personal health.

The following Dow 2015 Sustainability Goals address Dow’s commitment to contributing to a more sustainable world.

**Energy Efficiency and Conservation**

**Climate Change**
Providing humanity with a sustainable energy supply while addressing climate change is the most urgent environmental issue our society faces.

Dow operates at the nexus between energy and all the manufacturing that occurs in the world today. No company has more at stake in the solution — or more of an ability to have an impact on the solution — through creatively and effectively addressing the issues of energy supply and climate change. We reduced our energy intensity by 22 percent during the ten years ending in 2005, and set a new goal for ourselves to further improve energy intensity by 25 percent by 2015.

As a world leader in chemistry, Dow is uniquely positioned to continue to provide innovations that lead to energy alternatives, less carbon intensive raw material sources, and other solutions not yet imagined. Our science and technology has been contributing solutions to the global climate change and energy challenges since 1990. Our science has led to the development of alternative energy sources such as biofuels, photovoltaics and wind.

We commit to measure and report progress in reducing our greenhouse gas (GHG) intensity, advocating for monetization of carbon marketplaces globally, becoming the most efficient producer with available feedstocks wherever we operate, and bringing our know-how and expertise to other companies and countries that are less proficient. Read the complete description of Our Promise related to climate change.
As part of our goal in the area of climate change, we commit to reduce our GHG emissions intensity by 2.5 percent per year through 2015 from a 2005 base. By 2025 we will stop the growth of absolute emissions of GHG within the Company. Our absolute emissions will remain below the 1990 baseline, and we will begin our journey of year-over-year reduction in GHG emissions.

Two of Dow’s 2015 Sustainability Goals continue to make Dow one of the safest places to work in any industry, and to contribute to the quality of life in those communities where we have a significant community presence.

**Local Protection of Human Health and the Environment**

After striving for a 90 percent improvement from 1996 to 2005, Dow seeks to further reduce measures of Injury and Illness rate, Injury and Illness severity, Losses of Primary Containment, Process Safety Incidents, and Motor Vehicle Incident Rate by another 75 percent. Our “Vision of Zero” is a leadership attitude and a corporate culture that is committed to zero accidents, zero injuries and zero excuses.

**Contributing to Community Success**

We are an engaged corporate citizen globally and locally. Where we have a major presence, we are collaborating with local businesses and citizens to help create stronger, safer and sustainable communities – engaging communities, establishing joint goals and plans, and taking actions for the long-term success of all involved.

Dow’s performance toward its 2015 Sustainability Goals is reported quarterly on dow.com.

**2015 Sustainability Goal Changes and Challenges**

After careful study, a revised metric to bring new emphasis to motor vehicle safety was implemented at Dow. The new measure tracks a subset of all Motor Vehicle Accidents (MVAs); those incidents that cause or have the potential to cause severe injury. This change will improve employee awareness of the potential for severe injury and elevate the importance of safe driving behaviors. The operation of cars/trucks deserves diligent attention as motor vehicle accidents are the most frequent cause of employee fatalities over the last 10 years.

Second, Dow’s Product Safety Leadership goal had planned to complete an external evaluation of the robustness of our product safety assessment processes and for the overall process for making product stewardship decisions during 2008. We plan to complete this part of the goal in 2010.

Third, the goals to drive energy efficiency and reduced GHG intensity were impacted by the 4Q 2008 economic slowdown. Dow’s operational processes become less efficient when they stop and restart, or operate at a sustained lower rate of production. Both Energy Intensity and greenhouse gas intensity results in 2008 are failing to achieve the current year target for improvement. A reduction in capital spending will delay the return to the target lines for both of these important metrics. See performance indicators EN3 and EN16.

**Managing risks and opportunities as aligned with sustainability challenges**

Chaired by the Chief Sustainability Officer, the Sustainability Team is composed of five senior executives and serves as the governance body for the company for: Environment, Health & Safety, Public Issues and Sustainability. This team provides direct linkage to the EH&S Committee of Dow’s Board of Directors to assist them in their oversight responsibilities for Dow performance in these critical areas.

The Company uses a Business Risk Review (BRR) work process to identify, evaluate and manage EH&S risks, including risks associated with possible failure of a product to perform as intended (i.e., product efficacy).

The goal is to minimize possible adverse impacts on people, property and the environment as a result of Dow’s business activity, including minimizing EH&S impacts associated with new and existing operations, products, applications and services throughout their life cycle.

This process is designed to help Dow meet the management practices of the Responsible Care® program the chemical industry’s global voluntary initiative under which companies, through their national associations, work together to continuously improve
their health, safety and environmental performance, and to communicate with stakeholders about their products and processes. Corporate level identification and management of risk is also accomplished systematically using an Enterprise Risk Management approach. The Company assesses financial risks which includes, in part, the potential impact of weather-related impacts, access to credit, volatility in purchased feedstock and energy costs, and pension plan-related risks. Risk management results are communicated to the chief financial office (CFO) on a weekly basis, with a formal annual review with the Board of Directors and its Audit Committee. See the Dow 10-K report Part I, Item 1A and Part II, Item 7A for a more complete discussion of Risk Factors.

2. Organizational Profile

2.1 Name of reporting organization
The Dow Chemical Company

2.2 Primary brands, products and/or services
See the Dow 10-K report for a complete description of the operating segments, including a representative listing of products for each business.

Corporate Profile
Dow is a diversified chemical company that combines the power of science and technology with the “Human Element” to constantly improve what is essential to human progress. The Company delivers a broad range of products and services to customers in approximately 160 countries, connecting chemistry and innovation with the principles of sustainability to help provide everything from fresh water, food and pharmaceuticals to paints, packaging and personal care products. In 2008, Dow had annual sales of $57.5 billion and employed approximately 46,000 people worldwide. The Company has 150 manufacturing sites in 35 countries and produces approximately 3,300 products. The following descriptions of the Company’s operating segments include a representative listing of products for each business.

Performance Plastics
Applications: automotive interiors, exteriors, under-the-hood and body engineered systems • building and construction, thermal and acoustic insulation, roofing • communications technology, telecommunication cables, electrical and electronic connectors • footwear • home and office furnishings: kitchen appliances, power tools, floor care products, mattresses, carpeting, flooring, furniture padding, office furniture • information technology equipment and consumer electronics • packaging, food and beverage containers, protective packaging • sports and recreation equipment • wire and cable insulation and jacketing materials for power utility and telecommunications

Performance Chemicals
Applications: agricultural and pharmaceutical products and processing • building materials • chemical processing and intermediates • electronics • food processing and ingredients • gas treating solvents • household products • metal degreasing and dry cleaning • oil and gas treatment • paints, coatings, inks, adhesives, lubricants • personal care products • pulp and paper manufacturing, coated paper and paperboard • textiles and carpet • water purification

Agricultural Sciences
Applications: control of weeds, insects and plant diseases for agriculture and pest management • agricultural seeds and traits (genes)

Basic Plastics
Applications: adhesives • appliances and appliance housings • agricultural films • automotive parts and trim • beverage bottles • bins, crates, pails and pallets • building and construction • coatings • consumer and durable goods • consumer electronics • disposable diaper liners • fibers and nonwovens • films, bags and packaging for food and consumer products • hoses and tubing • household and industrial bottles • housewares • hygiene and medical films • industrial and consumer films and foams • information technology • oil tanks and road equipment • plastic pipe • textiles • toys, playground equipment and recreational products • wire and cable compounds
Basic Chemicals
Applications: agricultural products • alumina • automotive antifreeze and coolant systems • carpet and textiles • chemical processing • dry cleaning • dust control • household cleaners and plastic products • inks • metal cleaning • packaging, food and beverage containers, protective packaging • paints, coatings and adhesives • personal care products • petroleum refining • pharmaceuticals • plastic pipe • pulp and paper manufacturing • snow and ice control • soaps and detergents • water treatment

Hydrocarbons and Energy
Applications: polymer and chemical production • power

2.3 Operational Structure of the organization
The ultimate authority to manage the business of The Dow Chemical Company rests with the Board of Directors. The role of the Board is to effectively govern the affairs of the Company for the benefit of its stockholders and, to the extent appropriate under Delaware corporation law, other constituencies including employees, customers, suppliers and communities in which it does business. Among other duties, the Board appoints the Company’s officers and assigns to them responsibilities for management of the Company’s operations, and reviews their performance. An independent member of the board fills the role of Presiding Director.

In September 2008, Dow received the highest rating possible for corporate governance by Governance Metrics International (GMI). GMI’s rating system incorporates numerous performance attributes across six broad categories of analysis: board accountability, financial disclosure and internal controls, remuneration, shareholder rights, ownership base and takeover positions, and corporate behavior.

The responsibilities of each Committee of the Board of Directors are stated in the Bylaws and in their respective committee charters. The Board, upon the recommendation of the Governance Committee, elects members to each Committee of the Board and has the authority to change committee memberships and the responsibilities of any committee.

The following business units make up the seven operating segments of the Company as of December 31, 2008.

<table>
<thead>
<tr>
<th>Operating Segments</th>
<th>Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Plastics</td>
<td>Dow Automotive</td>
</tr>
<tr>
<td></td>
<td>Dow Building Solutions</td>
</tr>
<tr>
<td></td>
<td>Dow Epoxy</td>
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<tr>
<td></td>
<td>Polyurethanes and Polyurethane Systems</td>
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<tr>
<td></td>
<td>Specialty Plastics and Elastomers</td>
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<tr>
<td></td>
<td>Technology Licensing and Catalyst</td>
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<tr>
<td>Performance Chemicals</td>
<td>Designed Polymers</td>
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<tr>
<td></td>
<td>Dow Latex</td>
</tr>
<tr>
<td></td>
<td>Specialty Chemicals</td>
</tr>
<tr>
<td>Agricultural Sciences</td>
<td>Dow AgroSciences</td>
</tr>
<tr>
<td>Basic Plastics</td>
<td>Polyethylene</td>
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<tr>
<td></td>
<td>Polypropylene</td>
</tr>
<tr>
<td></td>
<td>Polystyrene</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>Core Chemicals</td>
</tr>
<tr>
<td></td>
<td>Ethylene Oxide/Ethylene Glycol</td>
</tr>
<tr>
<td>Hydrocarbons and Energy</td>
<td>Hydrocarbons and Energy</td>
</tr>
<tr>
<td>Unallocated and Other</td>
<td>New Ventures</td>
</tr>
</tbody>
</table>

More information about the organization of the Company is provided in the Company 10-K report. See exhibit 21. More can be found regarding joint ventures in section 3.6.
2.4 Location of organization’s headquarters
Midland, Michigan USA

2.5 Number of countries of operation
As of December 31, 2008, the Company operated 150 manufacturing sites in 35 countries. The Company’s major production sites are:

• United States: Plaquemine and Hahnville, Louisiana; Midland, Michigan; Freeport, Seadrift and Texas City, Texas; South Charleston, West Virginia
• Canada: Fort Saskatchewan and Prentiss, Alberta
• Germany: Boehlen; Leuna; Rheinmuenster; Schkopau; Stade
• France: Drusenheim
• The Netherlands: Terneuzen
• Spain: Tarragona
• Argentina: Bahia Blanca
• Brazil: Aratu

Including the major production sites, the Company has plants and holdings in the following geographic areas:

• United States: 42 manufacturing locations in 16 states
• Canada: six manufacturing locations in three provinces
• Europe: 49 manufacturing locations in 16 countries
• Latin America: 26 manufacturing locations in five countries
• Asia Pacific: 22 manufacturing locations in eight countries
• India, Middle East and Africa: five manufacturing locations in four countries

2.6 Nature of ownership and legal form
Dow is a publicly traded company.

At the close of business on March 16, 2009, there were 925,833,022 shares of Dow common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote. There were no shares of preferred stock outstanding as of the record date.

2.7 Markets served
Chemistry is fundamental to our lives, enabling over 96 percent of all manufactured products. Chemistry advances have revolutionized the way we live and how long we live. Dow products play a vital role in markets as diverse as: food, building and construction, transportation, furniture and furnishings, paper, home care, personal and household care, health and medicine, water purification, and electronics and entertainment.

In 2006 Dow accelerated the emphasis it places on understanding markets and end use needs. In most cases we address the markets we serve globally. In 2008 market focused organizations were deployed to preferentially drive growth by matching needs in these markets with our current and future offerings:

• Adhesives and Sealants
• Dow Automotive
• Dow Building Solutions
• Dow Coating Solutions
• Dow Elastomers
• Dow Fabric and Surface Care
• Dow Oil & Gas Solutions
• Dow AgroSciences
• Dow Fiber Solutions
• Dow Water Solutions
• Dow Wire & Cable
2.8 Scale of reporting organization (year-end 2008 data)
Number of employees – 46,102

Net Sales – $57,514 million

Total Capitalization in 2007
- Total Assets $45,474 million
- Total Debt $11,856 million
- Stockholders’ Equity $13,511 million

The Company has 150 manufacturing sites in 35 countries and supplies more than 3,300 products.

Beneficial ownership information is found in the 2009 Dow Proxy statement. See Beneficial Ownership of Company stock in the table of contents.

2.9 Significant changes during the reporting period
Significant challenges were presented to both Dow and the chemical industry as a whole during 2008. The first half of the year was characterized by rising feedstock and energy costs, coupled with continued economic weakness in the United States, particularly in the automotive and residential construction sectors. The latter half of the year was marked by the escalation of a global financial crisis, the landfall of two major hurricanes along the U.S. Gulf Coast, and the sharp deterioration of the global economic environment. Consequently, in the fourth quarter of the year, the industry saw substantially lower end-market demand and steep inventory de-stocking across most value chains. In response, Dow shut down or idled capacity and took measures to manage costs and preserve cash, consistent with its commitment to financial discipline.

During 2008, Dow’s sales increased seven percent to $57.5 billion, setting a new sales record for the Company. Dow also saw a 12 percent increase in prices which outweighed a five percent decline in volume. Volatile feedstock and energy costs presented a significant challenge during the year, to which Dow reacted with responsive price and volume management, including the implementation of two broad-based pricing initiatives in the middle of the year. Dow’s purchased feedstock and energy costs increased $5.9 billion (28 percent) compared with 2007, making this the sixth consecutive year of double-digit percentage increases in feedstock and energy costs.

See additional information about changes occurring in 2008 including information about a plan to acquire the outstanding shares of the Rohm and Haas Company in the February 20, 2009 10-K in Part II, Item 7.
2.10 Awards received during 2008
The following awards are a sampling of the recognition earned by Dow in 2008. For a complete list of the many awards received, visit the News Center – Awards and Accolades page on Dow.com.

Innovative Insect Control Technology Earns Dow another Green Chemistry Award, Dow AgroSciences LLC, a subsidiary of Dow, was presented with the 2008 Presidential Green Chemistry Challenge Award.

Dow named 2008 ENERGY STAR Partner of the Year for excellence in energy management and reductions in greenhouse gas emissions. Recognized by: The U.S. Environmental Protection Agency (EPA)

National Inventors Hall of Fame Announces 2008 Inductees; Former Dow Scientist Given Posthumous Recognition. The late Ray McIntire, a retired Dow scientist best known for his invention of STYROFOAM™ Brand Extruded Polystyrene Foam Insulation, has been recognized by the National Inventors Hall of Fame as a part of the next group of world-class inventors to be inducted into its ranks.

Dow ranks One of America’s ‘100 Best Corporate Citizens’ Recognized by: Corporate Responsibility Officer (CRO) Magazine

Dow Recognized As a Leader in Sustainability Reporting Recognized by Ethical Corporation Magazine

Dow Chemical Zhangjiagang Site Recognized for Safety by Jiansue Province Safety and Environmental Protection Management Bureau (SEPMB)

Dow Recognized with Corporate Social Responsibility Award in Mexico by CEMEFI (Centro Mexicano para la Filantropia)

Dow Recognized for Safety Excellence in the Construction Industry by the Construction Users Roundtable (CURT)

Dow’s Environmental Reporting Project Receives ESS Excellence Award (Environmental Safety and Security)

Human Element Named Most Effective Corporate Branding Campaign at the annual Effie Awards dinner in New York on June 4, 2008

Dr. Catherine Baase Receives National Business Group on Health 2009 Award for Excellence and Innovation in Value Purchasing

Dow in Germany Among Best Workplaces in Europe Dow in Germany made it to the top 25 large companies, building on the second place the company won in the Best Workplace in Germany ranking earlier this year

Dow named to Dow Jones Sustainability Index for Eighth Time Dow is rated as one of the top performers in the global chemical industry. Recognized by: The Dow Jones Sustainability World Index

3. Report Parameters

REPORT PROFILE

3.1 Reporting Period
Based on 2008 corporate data for the period ending December 31, 2008

3.2 Date of most recent previous report
This is the sixth GRI Sustainability report. The previous report covered the 2007 time period and can be found at Public Reports.

3.3 Reporting Cycle
Annual
3.4 Contacts for questions regarding the report
Peter N. Deal
Sustainability Program Management Office (PMO)
1-989-636-3865

Mark C. Weick
2015 Sustainability Goals Program Management Office (PMO)
1-989-636-6501

REPORT SCOPE AND BOUNDARY

3.5 Process for defining report content
Measurement matters. At Dow, keeping score and tracking our measurements are part of everything we do. It is no different for our commitment to Setting the Standard for Sustainability or for our 2008 GRI report.

The process for creating the 2008 GRI report began with a GRI editorial board composed of representatives from Government and Public Affairs, the Environmental Technology Center, the EH&S and Sustainability areas, Financial reporting, Human Resources, and Corporate Citizenship. The GRI editorial board’s mission was to improve the GRI report with emphasis on defining primary report audiences, expanding the breadth of the report, communicating about how the Company approaches priority issues and report content, and an improved explanation in 3.6 about GRI report boundaries.

The following were identified as the primary audience members interested in Dow’s 2008 GRI report:

- Academia
- Communities
- Customers
- Industry associations
- Investors and analysts
- LOHAS segment (Lifestyles of Health and Sustainability)
- Media
- Professional organizations (e.g. NGOs, IGOs, universities, SRI professionals, etc.)
- Prospective employees

The 2008 GRI report is defined significantly by two areas of focus: Dow’s 2015 Sustainability Goals and our commitment to Public Policy Priorities.

The 2015 Sustainability Goals build on accomplishments of the 2005 EH&S Goals but have a broader external focus: strengthening our citizenship, continuing to offer solutions to the world’s biggest challenges, and reducing our environmental footprint.

As part of the Company’s 2015 Sustainability Goals, the people at Dow are committed to using resources more efficiently, providing value to our customers and stakeholders, delivering solutions for customer needs and enhancing the quality of life of current and future generations.

The process of defining our 2015 Sustainability Goals included rigorous discussions and external input about what was of most importance to stakeholders, and highly relevant for public improvement commitments in economic, environmental and social arenas. See Sustainability at Dow on Dow.com.

In addition, the Public Policy Priorities work process explains our prioritization of issues. This process works to manage towards resolution of a portfolio of public policy priorities across multiple geographies within the boundaries set by the Company and society. Dow defines a public policy priority as any development that could have a significant positive or negative impact on the financial position, operation, reputation or future interests of Dow and therefore requires a structured evaluation of how Dow should best respond to this development. The process is flexible enough to deal with multiple public policy priorities, whether it is at the corporate level or at a single business, geography or function level.
Dow prioritizes and evaluates new and existing corporate public policy priorities to ensure resources are focused on resolving the priorities with highest potential impact on the company. This prioritization process also ensures that the right amount and quality of resources are dedicated to the successful management of those priorities. Prioritization is based on an evaluation of the potential impact on Dow (financial and/or reputation) as well as the ability for Dow to influence the outcome of the debate. The process includes, but is not limited to:

- Conducting interviews with Public Policy Priority Manager/Management Team and internal thought leaders from various businesses and functions
- Conducting trend sessions and reviewing trend literature
- Conducting interviews with selected external thought leaders

**Public Policy Management Work Process**

**Identifying Public Policy Priorities**

Identify relevant priorities and evaluate level of impact on Dow and the concern stakeholders have regarding the public policy priority

**Managing a Portfolio of Public Policy Priorities**

Teams Manage Priorities → Annual Prioritization Process → Public Policy Priorities Managed Appropriately

Managing the oversight of the prioritization, including the management of Public Policy Priorities is the task of the Public Interest Strategy Board (PISB). This board reports directly to the Chief Sustainability Officer and the Corporate Sustainability Team. The PISB is composed of multi-functional and cross-business selection of senior Dow leaders and is assisted by the Government Affairs and Public Policy Expertise Center. The PISB helps assure that critical priorities and issues are identified and managed, executive sponsors arranged, appropriate teams resourced, and critical goals and targets identified and achieved.

The materiality* assessment for sustainability reporting can be summarized by this illustration and the table which follows:

![Materiality* Assessment](image)

<table>
<thead>
<tr>
<th><strong>2015 Sustainability Goals</strong></th>
<th><strong>Public Policy Priority Associated with Goal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Protection of Human Health and the Environment</td>
<td>Security and Public Safety</td>
</tr>
<tr>
<td>Community Success</td>
<td>Security and Public Safety</td>
</tr>
<tr>
<td>Product Safety Leadership</td>
<td>Chemicals &amp; Health</td>
</tr>
<tr>
<td>Breakthroughs to World Challenges</td>
<td>Water</td>
</tr>
<tr>
<td>Energy Efficiency and Conservation</td>
<td>Climate Change and Energy</td>
</tr>
<tr>
<td>Addressing Climate Change</td>
<td>Climate Change and Energy</td>
</tr>
</tbody>
</table>

*Materiality as defined in GRI Reporting Guidelines and used for this report: The information in a report should cover topics and indicators that reflect the organization’s significant economic, environmental and social impacts; or that would substantively influence the assessments and decisions of stakeholders.

This report attempts to assimilate the content that our stakeholders will find relevant. The GRI principles for defining content (materiality, inclusiveness, sustainability context, completeness), and those defining quality have been considered while producing this report. See more on GRI guidance on defining content.
3.6 Boundary of the report

This report covers majority-owned Dow operations and activities in leased facilities that are Dow managed worldwide as of December 31, 2008.

Dow’s passion to find better ways to make products has often led to opportunities to collaborate with external parties. Over time, many of these opportunities have resulted in Joint Venture (JV) entities which combine valuable contributions from each partner in an enterprise with a carefully defined mission that could not be accomplished as efficiently by the companies working separately. In 2008, Dow was an owner in 78 joint ventures, ranging in size from Dow Izolan, a Russian enterprise to meet unique customer needs in Russia, to the 66-year old Dow Corning Corporation with 2008 sales that make it equivalent to a Fortune 500 company.

The Company has carefully institutionalized the process for joint venture partner selection, venture creation, and management. A JV White Paper explains Dow’s approach to use of joint ventures, with a specific focus on the Company’s principal non-consolidated affiliates.

Dow has utilized the GRI 2005 Boundary Protocol to determine which joint ventures will be included in Sustainability reporting and in its 2015 Sustainability Goals. The determinant of level of influence and control leads the company to define those joint ventures in which Dow owns more than 50 percent equity to be included in our Company reporting data, and specifically in performance indicators included in this report.

In contrast, the nine principal joint ventures that accounted for over 90 percent of Dow’s total equity earnings and cash distributions from JVs in 2008 are not included in performance indicators. This is consistent with the financial reporting treatment of non-consolidated affiliates (20-50 percent owned companies, joint ventures, and partnerships) on an equity basis. These nine principal joint ventures are represented in the upper-left part of the diagram reflecting their significance, and the fact that management control resides within the joint venture.

For more information on the GRI Boundary technical protocol, visit: http://www.globalreporting.org/ReportingFramework/ReportingFrameworkDownloads/

Nine Principal Joint Ventures
Dow owns 50 percent or less equity in the following nine principal joint ventures. More information about the respective joint venture is provided in the links below:

- Americas Styrenics LLC
- Compañía MEGA S.A.
- Dow Corning Corporation
- EQUATE Petrochemical Company K.S.C.
- Equipolymers
- MEGlobal
- The OPTIMAL Group of Companies
- The SCG-Dow Group
- Univation Technologies, LLC

11 Joint Ventures where Dow has a Majority Ownership Position

- Nantong DAS Chemical Company Limited*
- Dintec Agroquimica Produtos Quimicos*
- Phytojen Seed*
- Dow Izolan
- Guangdong Zhongshan Americal Specialty Company
- Dow Kakoh Kabushiki Kaisha
- Arakawa Europe
- Union Polymers S.B.
- Equate Marketing Co.
- Dow Pipeline Gessellschaft mbH and Company KG
- Union Carbide (Guangdong Zhongshan) Company, Ltd.

*Joint ventures that are part of Dow AgroSciences
Additional details can be found in Note F to the Consolidated Financial Statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2008.

A review of the remaining joint ventures having lower significance and a lower level of Dow influence did not identify any issues for special address in Dow sustainability reporting.

Partner selection is critical and Dow will work only with companies that have compatible business strategies, are financially strong, and share the same perspective on business ethics, and EH&S principles. Stakeholders may be assured that joint ventures are:

- created for strategic reasons,
- designed to accomplish a long term relationship with the partner,
- given appropriate management attention related to the creation of values, culture and operating standards and not used to exclude issues or products from the Dow portfolio.

The use of joint venture arrangements remains a centerpiece of Dow’s strategy to transform its portfolio of businesses into an earnings-growth company.

Not included in this report is information related to operations of suppliers or non-consolidated entities in which Dow does not hold a majority ownership position.

3.7 Limitations on the scope or boundary of the report
This report, including links for Dow reporting found on page 2, addresses the full range of material economic, environmental and social impacts of the organization, within the context of the boundary of the report as described in section 3.6.

3.8 Basis for reporting that can significantly affect comparability from period to period or between organizations
The basis for reporting on joint ventures, subsidiaries, leased facilities, and other entities does not significantly affect comparability from period to period.

3.9 Data measurement techniques and the bases of calculations
Operating Discipline Management System (ODMS) is used throughout Dow and helps accomplish meaningful data aggregation. A key element of ODMS is a measurement policy and requirements. As part of these requirements, measurements are established and performance is monitored to ensure that all organizations are performing at a level that meets our objectives and targets. The ODMS requirements set expectations on calibration, measures, measuring equipment, measurement systems and critical instruments. Several data management systems address more specific requirements and are unique to the particular needs of the respective measures. Examples include the Global Emissions Inventory (GEI) system that tracks emissions, the Global Incident Reporting Database (GIRD) that records occupational health and safety events, and the Global Asset Utilization Reporting (GAUR) system that collects utilization and energy use information. Each of these examples is global in scope, and defines the details covering data collection and the bases of calculations for the respective system.

3.10 Explanation of the effect of any re-statements of information provided in earlier reports
None identified.

3.11 Significant changes from previous reporting periods
None identified.
GRI CONTENT INDEX

3.12 Table identifying the location of the Standard Disclosures in the report
See index.

ASSURANCE

3.13 Policy and practice with regard to external assurance for the report
Dow has engaged Environmental Resources Management (ERM) to review our GRI report covering 2008. ERM is one of the world’s leading providers of environmental consulting services and health and safety. They have significant experience in the assurance process. This is the second time Dow has included assurance as a part of providing a GRI report.

Independent Assurance Statement by ERM
Environmental Resources Management was retained by Dow to provide an independent review and assurance statement for the 2008 GRI Report.

Scope of Work
ERM assessed the GRI report from the following perspectives:

• Does the report reflect the sustainability issues and challenges facing Dow?
• Does it meet the requirements of AA1000 Accountability Assurance Standard (2008) for inclusivity, materiality and responsiveness?
• Do the processes for compiling data from facilities provide accurate data for presentation in the report?

In addition, ERM reviewed the GRI Report against the GRI Sustainability Reporting Guidelines (2006) – Application Level A criteria.

Assurance Methodology
The review was conducted during May and June 2009 and included an assessment of Dow’s data collection and verification processes and the GRI Report contents, as well as the development of this formal assurance statement.

As part of the review, ERM conducted interviews with personnel at Dow’s headquarters in Midland, Michigan. ERM visited manufacturing facilities at Freeport, Texas; Guarujá, Brazil; and Zhangjiagang, China. These facilities were selected to represent a range of operations and material sustainability impacts and included a facility located in a non-English speaking country.

During the interviews and facility visits, ERM focused on:

• Understanding the Dow business context and its sustainability strategy;
• Reviewing the GRI Report and other relevant supporting documents;
• Understanding the logistics of Dow’s data collection and reporting processes and systems, including the Global Incident Reporting Database, Global Emissions Inventory and Global Asset Utilization Report;
• Checking the accuracy of a sample of data from the facilities visited;
• Reviewing the mechanisms for checking and verifying data at the facility, business unit and corporate level; and
• Reviewing the process for the management of change to data, including how errors are communicated to the data providers and corrective action checked to ensure accuracy in the reported data.

ERM Conclusions
Based on the review, ERM concludes that the GRI Report:

• reflects the sustainability issues and challenges facing Dow;
• meets the AA1000AS (2008) requirements for materiality, completeness and responsiveness;
• incorporates data compiled from robust processes; and
• provides a reasonable and balanced presentation of Dow’s sustainability performance.
During the review period, ERM identified a number of issues that were discussed and subsequently addressed by Dow in the final draft of the GRI Report. These issues and the associated recommendations are included in detail in a separate assurance project report to Dow Management. Dow’s sustainability programs are very well integrated into core business processes. The separation of the sustainability information for the purposes of developing the GRI report provided a challenge to the report writers. Dow made further progress in gathering and organizing the information to conform to the protocols of the GRI reporting guidelines.

**ERM Competence**
ERM operates strict conflict of interest checks and has confirmed our independence to work on this engagement to Dow. The members of the review team have not provided consulting services to Dow outside of the review. The review team has the required combination of education, experience, training and skills for this engagement.

Environmental Resources Management
Annapolis, Maryland, USA
June 2009

4. Governance, Commitments and Engagement

**GOVERNANCE**

4.1 Governance structure of the organization
At Dow, our leadership organization effectively places decision-making at the appropriate level, and ensures that proper checks and balances exist.

We rely on our Board of Directors to know our Company, and to conduct thorough reviews and ask the difficult questions. Dow exemplifies good governance with a presiding director and directors with solid, diverse experience and credentials. A substantial majority of Dow’s Board are independent directors.

Corporate Officers are accountable to the Board, in addition to their management roles within the Company.

Dow has received the highest rating possible for corporate governance by Governance Metrics International (GMI), an independent corporate governance research and ratings agency. Detailed information about Dow’s governance structure can be found on our Web site.

Board committees are described in the bylaws available on Dow.com:
- Audit Committee
- Governance Committee
- Compensation Committee
- Environment, Health and Safety Committee
- Executive Committee

The Sustainability Team will continue to serve as the governance body within the company for Environment, Health & Safety, Public Issues and Sustainability. This team also will continue to provide direct linkage to the EH&S Committee of the Dow Board of Directors to assist them in their oversight responsibilities for Dow performance in these critical areas.

The Sustainability Team has been re-chartered to work with Dow’s new business structure and is comprised of the following members:
- David Kepler, executive vice president, CSO (Chairman)
- Mike Gambrell, executive vice president, M&E
- Charles Kalil, executive vice president, Legal and Government Affairs
- Jim McIlvenny, business president, Performance Products
• Heinz Haller, executive vice president, Performance Products
• Neil Hawkins, vice president, EH&S & Sustainability, is the Secretary of the team

4.2 Is the Chair of the Board of Directors also an executive officer?
Andrew Liveris is the Chairman of the Board of Directors, and is the Chief Executive Officer of Dow. Paul Stern, an external
director, is serving as the Presiding Director. He is not an executive officer.

4.3 Number of members of the Board of Directors that are independent and/or
non-executive members
The Board has assessed the independence of each non-employee Director based upon the Company’s Director independence
standards described in the Company’s Corporate Governance Guidelines. These standards incorporate the criteria in the listing
standards of the New York Stock Exchange, as currently in effect, as well as additional, more stringent criteria established by the
Board. They are set forth in Appendix A to the 2009 Proxy Statement.

Based upon these standards, the Board has determined that the following nine members of the Board are independent: Directors
Barton, Bell, Fettig, Franklin, Hess, Reilley, Ringler, Shaw and Stern. These independent Directors constitute approximately
67 percent, a substantial majority of the Board, consistent with Board policy.

4.4 Mechanisms for shareholders and employees to provide recommendations or
direction to the Board of Directors
Stockholders and other interested parties may communicate directly with the full Board, the Presiding Director, the non-
management Directors as a group, or with specified individual Directors by any of several methods. These include mail
addressed to The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, and the “Contact Us” feature of Dow’s
Corporate Governance Web site. The Presiding Director and other non-management Directors may also be contacted by email
addressed to PresidingDirector@Dow.com.

The Dow proxy statement describes the requirements for submitting a proposal to be considered for inclusion in the Company’s proxy
material for the future annual meeting. Agenda items 3 through 7 of the 2009 Proxy statement are examples of shareholder’s proposals.

During 2008 Andrew Liveris, Chairman and Chief Executive Officer, continued to host an employee blog called Access Andrew. The
blog received more than 23,000 visits per week on average by employees worldwide resulting in a meaningful and active dialogue.

The Dow EthicsLine is a safe, reliable and convenient alternative to reporting ethical concerns in person. It is available globally,
with multi-lingual capabilities, 24 hours a day, seven days a week. No call tracing or recording devices are ever used, and
callers may remain anonymous if they choose.

Employees also provide input and direction through a Global Employee Opinion & Action Survey (GEOAS) that is conducted
every two years. Highlights from the 2008 Survey indicate a positive trend in the area of Diversity and Inclusion and
Performance Management. The two areas identified for overall attention were Strategic Alignment and Employee Development.

4.5 Linkage between compensation for members of the highest governance body,
senior managers, and executives, and the organization’s performance
As announced on February 17, 2009, the Board of Directors decided that Dow executive management, including Andrew N.
Liveris (Chairman and CEO) and his direct reports, would not receive a 2008 Performance Award cash payout, as earned. The
decision of the Board was made after Dow management recommended this action as a prudent and appropriate alignment with
leadership’s accountability for overall results.

The compensation programs at Dow are designed to support the realization of Dow’s vision of being the largest, most profitable
and most respected chemical company in the world, while promoting the interests of our stockholders and other stakeholders.
The following principles apply to the design and implementation of our executive compensation practices:

- **Drive Company results.** The program emphasizes variable, at-risk incentive award opportunities which are payable only if specified goals are achieved and/or Dow’s stock price appreciates. The largest part of Named Executive Officers compensation is focused on long-term performance based on Dow’s return to stockholders. These at-risk incentives represent at least 80 percent of the Named Executive Officers direct compensation.
- **Be cost effective and aligned with stockholder value creation.** Incentive awards are earned only if specified financial goals are achieved, and when Dow’s stock price appreciates. Higher compensation is paid when goals are exceeded and reduced compensation is paid when goals are not met.
- **Emphasize stock ownership.** Long-term incentive (LTI) awards are delivered as equity based awards to senior executives. These executives are required to maintain a minimum level of stock ownership to encourage managing from an owner’s perspective and to better align their financial interests with those of Dow stockholders. Named Executive Officers are expected to own Dow securities with a value equal to between four and six times their annual base salary.

### 4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided

All directors, officers and employees of Dow are expected to be familiar with the Company’s Code of Business Conduct, and to apply it in the daily performance of their Dow responsibilities. The Code of Business Conduct is intended to focus employees, officers and Directors on areas of ethical risk, help them recognize and make informed decisions on ethical issues, help create a culture of the highest ethical and business standards, and provide mechanisms to report unethical conduct. The full text of Dow’s Code of Business Conduct is available at www.Dow.com, by clicking on “Ethics.”

The processes used to ensure conflicts of interest are avoided include an annual Directors and Officers Questionnaire that requires disclosure of any transactions with the Company in which the Director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest. Directors also respond annually – as do all Company employees – to an annual reminder of the requirements of the Dow Code of Business Conduct. Separately, the Company assesses the business relationship between the Company and any other company where Directors hold a position.

Lastly, the process for on-boarding new Directors includes a defined orientation process that includes training for guiding their fulfillment of duties as a member of the Dow Board of Directors.

### 4.7 Process for determining the qualifications and expertise of the members of the Board of Directors

There are certain minimum qualifications for Board membership that Director candidates should possess, including:

- strong values and discipline,
- high ethical standards,
- a commitment to full participation on the Board and its committees,
- relevant career experience,
- a commitment to ethnic, racial and gender diversity.

The Governance Committee has adopted guidelines to be used in evaluating candidates for Board membership. In addition to the characteristics mentioned above, the guidelines provide that candidates should possess individual skills, experience and demonstrated abilities that help meet the current needs of the Board, such as experience or expertise in some of the following areas: the chemical industry, global business, science and technology, finance and/or economics, competitive positioning, corporate governance, public affairs, and experience as chief executive officer, chief operating officer or chief financial officer of a major company.

Other factors that are considered include independence of thought, willingness to comply with Director stock ownership guidelines, meeting applicable Director independence standards (where independence is desired) and absence of conflicts of interest. The Governance Committee may modify the minimum qualifications and evaluation guidelines from time to time as it deems appropriate. These Director Qualifications are posted in Dow’s Corporate Governance Guidelines, available at www.DowGovernance.com, and any modifications to the Director Qualifications would be described in the Guidelines.
4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation

**Vision:** To be the largest, most profitable, most respected chemical company in the world.

**Mission:** To constantly improve what is essential to human progress by mastering science and technology.

**Values:** Integrity and Respect for People

*Constantly improve* … this concept is, and has been the bedrock of Dow’s culture since H.H. Dow first said, “If you can’t do it better, why do it?” It underscores our drive to continually seek the best in everything we do, and an unwillingness to settle for anything less. Dow’s mission represents our greater purpose in society.

*Essential to Human Progress* … the products we make find their way into products that provide people around the world with improved lifestyles. We use this concept to connect Dow with the external markets we serve. When we think in terms of the markets we serve, we become more outside-in focused — and we seek growth opportunities.

*Mastering Science and Technology* … we put our science and technology to work to create solutions for our customers and for society.

Our values represent who we are. They serve as our compass; not only do they define us, but they guide us at the same time.

- **Integrity:** We believe our promise is our most vital product - our word is our bond. The relationships that are critical to our success depend entirely on maintaining the highest ethical and moral standards around the world. As a vital measure of integrity, we will ensure the health and safety of our communities, and protect the environment in all we do.
- **Respect for People (internally and externally):** We believe in the inherent worth of all people. Dow has always believed that people are our most vital asset. It was true when founder Herbert Dow hand-picked great innovators and it is true today. Without the creativity and talent of our diverse workforce, we simply could not succeed.

The [Code of Business Conduct](#) can be found on our Web site.


4.9 Procedures of the highest governance body for overseeing the organization’s identification and management of economic, environmental and social performance, including risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles

The EH&S Committee of the Board assists the Board in fulfilling its oversight responsibilities related to social performance topics by assessing the effectiveness of environment, health and safety programs and initiatives that support the EH&S policy of the Company, and by advising the Board on matters impacting corporate citizenship and Dow’s public reputation. Specific responsibilities of this committee include:

1. Reviewing the status of the Company’s EH&S policies and performance, including processes to ensure compliance with applicable laws and regulations.
2. Reviewing and providing input to the Company on the management of current and emerging environment, health and safety issues.
3. Reporting periodically to the Board of Directors on environment, health and safety matters affecting the Company.
4. Reviewing the status of the Company’s philanthropy initiatives.
5. Reviewing the Company’s diversity and inclusion philosophy, commitment and results.
6. Reviewing the Company’s public policy and advocacy priorities.
7. Reviewing the Company’s initiatives to build reputation.
8. Reviewing the Company’s progress on sustainable development.
The EH&S Committee of the Board reports regularly to the Board of Directors. The Committee met three times during 2008, and the Dow Board of Directors met on 12 different occasions.

In a similar fashion, the Audit Committee of the Board assures that financial reporting is in compliance with regulations and standards. The specific responsibilities of each of the Committees of the Board are found on Dow.com at Corporate Governance – Board Committees. The Executive Leadership Committee is continually informed about the financial performance of the company, and is tasked in part with defining and implementing a strategy to maximize long-term shareholder value.

**4.10 Process for evaluating the highest governance body’s performance, particularly with respect to economic, environmental, and social performance**

Each of the five Board-level Committees conduct an annual review of Committee performance and of the Committee charter. In addition to this self-assessment, each Committee makes regular reports to the Board of Directors. The Compensation Committee and the other non-employee Directors conduct an annual review of the performance of the Chief Executive Officer.

**COMMITMENTS TO EXTERNAL INITIATIVES**

**4.11 Explanation of how the precautionary approach or principle is addressed by the organization**

Dow supports the Precautionary Principle as defined in Principle 15 of the Rio Declaration. As a responsible corporate citizen, Dow continues to use a well-defined process for assessing and managing risks in the face of uncertainty. This process is science-based, ensuring decision-making includes an appropriate evaluation of risk and benefits.

One of our strengths is assessment and management of risks. Our approach has been implemented through our 25-year old Product Stewardship philosophy, and further through our Responsible Care® commitment. This process applies to current products as well as those being contemplated for development.

Dow views the Precautionary Principle as an application of the principles of risk assessment and risk management. Risk assessment includes hazard identification, characterization, exposure assessment and risk assessment. Risk management encompasses the identification, selection and implementation of alternative actions for addressing risk through the control of identified hazard(s) and/or exposure.

For more information on Dow’s 2015 Sustainability Goals, specific to Product Safety Leadership, visit our Web site.

**4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses**

**CEO Water Mandate Report**

Dow is a participant in the CEO Water Mandate, which seeks to make a positive impact with respect to the emerging global water crisis by mobilizing companies to advance water sustainability solutions in partnership with the United Nations, civil society organizations, governments and other stakeholders. This voluntary initiative creates a platform to share best and emerging practices, and to forge multi-stakeholder partnerships to address the problems of access to water and sanitation.

Dow has collaborated with other leaders at the World Economic Forum (WEF) 2008 Annual Meeting in Davos, Switzerland, to bring forth a Call to Action to “Managing Our Future Water Needs.” The WEF is an independent international organization committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas.

As a thought leader in water management, and as a producer of leading technologies for water treatment, Dow was asked by IBM to collaborate on the Global Innovation Outlook (GIO) on water during the second half of 2008. (See the Appendix and section 4.17 for more detail.)
Further information about Dow’s stewardship of water and efforts to address water-related challenges can be found in the Appendix to this report. The following Water Mandate areas are addressed.

- Direct Operations
- Supply Chain and Watershed Management
- Collective Action
- Public Policy
- Community Engagement
- Transparency

http://www.dow.com/commitments/goals/water.htm

Advocacy in the Area of Addressing Climate Change

The United States Climate Action Partnership (USCAP), an alliance of businesses including Dow and leading climate and environmental groups, works to call on the federal government to enact legislation requiring significant reductions of greenhouse gas emissions. The USCAP developed a set of principles and recommendations to guide the formulation of a regulated economy-wide, market-driven approach to climate protection.

Dow continues to participate in the Carbon Disclosure Project (CDP). For the fifth consecutive year, the Company was named to the “Carbon Disclosure Leadership Index.” Dow is one of only 33 companies from a carbon intensive sector to receive this distinction for 2008. This index highlights global companies that have displayed the most professional approach to corporate governance in respect to climate change disclosure practices.

Dow is a member of Caring for Climate, a voluntary action platform for those UN Global Compact participants who seek to demonstrate leadership on the issue of climate change. It represents a commitment to develop corporate strategies and practices to reduce carbon emissions, to publicly disclose emissions, and to urge governments to make progress. It also provides a framework for business leaders across the globe to advance practical solutions and help shape public policy as well as public attitudes.

Dow Principle of Product Stewardship and Commitment to Responsible Care Management System®: 2008:

Dow has a long history of developing products, managing operations and using operating discipline to carefully address the risks associated with our product portfolio. Working with industry associations, chemical companies around the world now participate in Responsible Care – an initiative to continuously improve their health, safety and environmental performance, and to communicate with stakeholders about their products and processes.

In 2008, Dow committed to the Responsible Care Management System® with other members of the U.S. American Chemistry Council (ACC). Our industry creates products and services that make life better for people around the world - both today and tomorrow. The benefits of our industry are accompanied by enduring commitments to Responsible Care in the management of chemicals worldwide.

Dow will make continuous progress toward the vision of no accidents, injuries or harm to the environment and will publicly report our global EH&S performance. As a participant in Responsible Care, we will lead our companies in ethical ways that increasingly benefit society, the economy and the environment while adhering to the following principles:

- To lead our companies in ethical ways that increasingly benefit society, the economy and the environment.
- To design and develop products that can be manufactured, transported, used and disposed of or recycled safely.
- To work with customers, carriers, suppliers, distributors and contractors to foster the safe and secure use, transport and disposal of chemicals and provide hazard and risk information that can be accessed and applied in their operations and products.
- To design and operate our facilities in a safe, secure and environmentally sound manner.
- To instill a culture throughout all levels of our organizations to continually identify, reduce and manage process safety risks.
- To promote pollution prevention, minimization of waste and conservation of energy and other critical resources at every stage of the life cycle of our products.
- To cooperate with governments at all levels and organizations in the development of effective and efficient safety, health, environmental and security laws, regulations and standards.
- To support education and research on the health, safety, environmental effects and security of our products and processes.
- To communicate product, service and process risks to our stakeholders and listen to and consider their perspectives.
• To make continual progress towards our goal of no accidents, injuries or harm to human health and the environment from our products and operations and openly report our health, safety, environmental and security performance.
• To seek continual improvement in our integrated Responsible Care Management System® to address environmental, health, safety and security performance.
• To promote Responsible Care® by encouraging and assisting others to adhere to these Guiding Principles.

These Principles apply to Dow globally.

Biotechnology Principles Developed with External Stakeholders:
The Dow Chemical Company has adopted the following principles to guide its decision-making in applying biological knowledge and techniques to develop products and services for the benefit of our customers, shareholders and society. We will pursue biotechnology in alignment with Responsible Care® and Dow’s Values, Code of Business Conduct and Sustainable Development Principles.

We recognize that the unique scientific, philosophical and ethical implications of biotechnology must be considered.

• We will actively listen to and dialogue with stakeholders to understand their concerns and to help us progress responsibly.
• We will inform the public about relevant benefits, risks and potential implications of our biotechnology products and processes, and encourage others to do the same.
• We will participate in outreach efforts and explore opportunities to make the benefits of biotechnology available to developing countries and will respect the rights of indigenous people to have access to local germplasm.
• We will promote research on the potential benefits and safety of our biotechnology products and services for humans, animals and the ecosystem.
• We will support the development and implementation of internationally harmonized approaches to biotechnology safety analysis and promote the creation of a predictable and scientifically sound regulatory framework to reduce scientific uncertainty, manage potential risks and assure public confidence.
• We will apply our established corporate Environment, Health & Safety Risk Review Process, which includes a thorough consideration of the impact on humans, animals, the environment and society, throughout the lifecycle of all our biotechnology products and services and will take appropriate corrective actions.
• We will support the patentability of inventions as determined by the applicable laws of the countries in which we do business and will respect the intellectual property rights of others and not knowingly infringe upon valid patents.
• We will support the conservation of biological diversity and the sustainable use of biological resources.
• We will promote these principles throughout the industry and value chain.

The Dow Code of Business Conduct has a number of policies outlining our values and standards. We expect our suppliers and contractors to embrace similar values and standards. The full Code of Business Conduct is located on our Web site.

External Certification Programs:
Dow’s overall mechanism for standards development, application, and review is called the Operating Discipline Management System (ODMS). An external review summarized on September 26, 2008, with LRQA Inc. (Lloyd’s Register Quality Assurance Inc.) concludes that the changes to the Dow ODMS that have taken place since the last review in 2007 against the requirements of ISO 14001 Standard, OHSAS 18001:2007 Standard, and Responsible Care Management System®: 2008 Technical Specification did not create any contradictions with the Standards and that the certification against them would not be compromised in any way.

Dow achieved the American Chemistry Council’s mandatory external RCMS®:2005 certification by LRQA in 2007. The second certification cycle was initiated in November 2008 with the completion of the Midland headquarters audit. This cycle will be completed in 2010 after eight Dow sites are successfully audited to achieve the RCMS®:2008 certification.

4.13 Memberships in associations and/or advocacy organizations
Examples of trade, business associations and alliances where Dow is an active member are shown below. Dow participates in numerous additional organizations, including many at the local and regional level.

• The Brazilian Chemical Industry Association (ABIQUIM)
• Alliance to Save Energy
• American Council for an Energy Efficient Economy
• Alliance with US OSHA to share health and safety expertise
• Alliance with China SEPA to share pollution prevention practices with SMEs
• Alliance with China SAWS to share worker safety practice with SMEs
• American Chemistry Council (ACC)
• China-US Center for Sustainable Development
• Chlorine Chemistry Division of the American Chemistry Council
• European Chemical Industry Council (CEFIC)
• Global Environmental Management Initiative (GEMI)
• International Council on Chemical Associations (ICCA)
• Participant in OSHA VPP program (eight sites verified as VPP sites and Corporate Pilot)
• Plastics Europe – formerly Association of Plastics Manufacturers of Europe (APME)
• Sustainable Packaging Coalition
• The Business Roundtable (BRT)
• United States Climate Action Partnership (USCAP)
• World Business Council for Sustainable Development (WBCSD)
  – China Business Council for Sustainable Development (CBCSD)
• World Chlorine Council (WCC)
• World Environment Center (WEC)
• World Resources Institute Green Power Market Development Group

STAKEHOLDER ENGAGEMENT

4.14 List of stakeholder groups engaged by the organization

• Customers
• Employees
• Retirees
• Communities
• NGOs and IGOs
• Government Officials
• Shareholders and investment community observers
• Sustainability External Advisory Council (SEAC), previously called the Corporate Environmental Advisory Council (CEAC)

Stakeholder advisory groups are important sources for input on issues critical to our enterprise.
The SEAC has represented a wide variety of external stakeholders since its initial meeting in 1992. Leaders from international non-governmental organizations, academics, government administrators and others, are selected to represent external points of view and bring informed perspectives to ongoing semi-annual meetings. Members bring their knowledge, experience and understanding to bear on issues of concern to Dow.

Independent Advisory Panel on Security (IAP). The IAP is chaired by former Congressman and 9/11 Commission Vice-Chairman Lee Hamilton. The Panel enables the Company to understand the roles of industry, government and the public in a challenging security environment.

Independent Energy Advisory Panel (IAEP) was created in March 2008 to provide insight to the Company on strategic options, potential scenarios and other challenges and opportunities related to energy. The IEAP is currently chaired by Dr. John Deutch, professor, Massachusetts Institute of Technology.

4.15 Basis for identification and selection of stakeholders with whom to engage
Dow’s stakeholders are individuals or groups who can have an impact on the Company’s ability to function. They can also be individuals or groups who are impacted by our activities, such as consumers. In the selection of SEAC members, the background and convictions of the representative are important as this group is designed to challenge conventional thinking and press the
case for adopting increasingly proactive and effective positions on important issues. Members of the Independent Advisory Panel (IAP) are selected based on their expertise and insights into the challenges of chemical security issues.

4.16 Approaches to stakeholder engagement

Customers
In addition to working hard to understand our customer needs, Dow deploys specialized market focused teams (called Market Facing Business Units) to create a connection to stakeholders (primarily customers) with unique market interests and needs. See: 2.7 Markets served.

Employees
The Global Employee Opinion and Action Survey (GEOAS) is used to understand issues within the employee base. It measures employee attitudes on the important topics of engagement, satisfaction and commitment, and monitors perceptions about key strategic themes that are important to the Company. Many GEOAS items are benchmarked against feedback from other large, well-respected companies that conduct similar employee surveys.

Six employee networks — each with a senior executive sponsor — bring together people with a common interest to share experiences, find mentors, seek professional development, and gain access to senior leadership.

They consist of the following groups:
- African-American Network
- Asian Diversity Network
- Disability Employee Network
- Gays, Lesbians & Allies at Dow
- Hispanic-Latin Network
- Women’s Innovation Network

Retirees
Dow has over 47,000 retirees across the United States. A Retiree Relationship Strategy works to harness the energy and commitment of retirees to advocate and spread goodwill for Dow, and to reinforce mutual respect between Dow and its retirees.

Dow Health Services launched the Retiree Health Empowerment Program to encourage retirees to be more engaged in their health. Empowered retirees live healthier lifestyles, manage their medications and health conditions more effectively, communicate better with their health care providers, and are wiser health care consumers. The ultimate goal is to build a ‘culture of health’ that empowers retirees to better manage their health and deal as effectively as practical with retiree medical premiums and out-of-pocket costs.

Communities
See SO1 for a description of Community Advisory Panels and the 2015 Sustainability Goal, “Contributing to Community Success”.

Other Stakeholders
Other Stakeholders, including those identified in 4.14, are engaged through various channels including the Dow.com Web site, which provides access for contact with the company.

4.17 Key topics and concerns raised through stakeholder engagement, and how the organization has responded to those key topics and concerns

The SEAC provides an ongoing opportunity for frank dialogue between Dow’s business leaders and independent external thought leaders. The SEAC exists to help Dow via challenging positions and providing new perspectives, including the UN Millennium Development Goals, the increasing importance of freshwater as a limited resource, and the importance of preserving biodiversity. The SEAC continues to provide counsel related to implementation of the 2015 Sustainability Goals.
The “Contributing to Community Success” goal is designed to make quality of life improvements by 2015 in the communities near Dow strategic sites. To focus our priorities in those communities, quality of life issues and concerns are defined from a survey of community representatives. Next, the new perspectives are shared with a collaborative workshop chartered to build a Success Plan to address those quality of life issues.

In 2008 this assessment was accomplished in Zhangjiagang, China, in the Rhine Center and in Stade Germany.

• The Community Success Plan in Zhangjiagang will involve using the Company’s leadership position to model corporate citizenship for other industry members, especially in education.

• In the port city of Terneuzen, Netherlands, the Community Success Plan includes expectations for the site to be a leader in environmental stewardship on behalf of the community.

• In Bahia Blanca, Argentina, Dow has implemented a plan that will increase communication with the community about EH&S commitments and performance.

• At Dow’s site in Pittsburg, California, adjacent to the San Francisco Bay, Dow will use charitable giving and volunteer activities to align with environmental issues.

Dow has a long history of engaging in dialogue with others who are similarly dedicated to constructive exchange of ideas while respecting diversity of opinion. This dialogue is based on the belief that collaboration with external stakeholders is an essential part of Dow’s efforts to build a sustainable future.

One specific example is Dow’s active participation in the Global Innovation Outlook (GIO) with IBM. GIO is IBM’s unique collaborative innovation process, which brings together thought leaders to work on innovation that benefits business and society.

In several meetings held around the world, the GIO brought together 158 renowned experts to discuss the role of innovation in solving the world’s water challenge. Substantial opportunities emerged to bring new policies, new business models and information technology to bear on the issues and opportunities that exist around the ever-growing dependence on this resource. A key part of the GIO process is that the insights are shared openly through a report and a variety of online media which can be found on the GIO website.

Dow also recognizes that its engagement needs to include an on-going public debate around historical issues and challenges such as Agent Orange, Asbestos, Bhopal and Dioxin. Pending legal proceedings can pose limitations on such interaction. To learn more about Dow’s opinion on these issues and challenges, visit Dow’s Issues and Challenges on the Dow.com Web site.
Dow is committed to creating long-term profitable growth on two fronts.

- First, we are focusing on running our day-to-day operations with maximum efficiency by driving productivity continually and seeking to maintain financial flexibility.
- Second, we are reshaping the Company through new business models and innovations that can sustain earnings growth. By leveraging our strengths — our deep scientific capabilities, our global reach and a balanced portfolio with significant presence in all major chemical chains — Dow is positioned for a future of leadership and growth.

Many Dow products are sold to entities that further process the raw material we provide. As a result, Dow often is caught between swings in volatile raw material prices and the challenge to adjust for those swings in prices to Dow customers. This has led Dow to emphasize being the low cost producer in those businesses where we participate.

We use measurements in the following areas to track our performance to achieve economic goals:

- Hydrocarbons & Energy cost relative to competition
- Total cost to serve and working capital costs
- Capital project effectiveness
- Most effective technology implementation
- Timely delivery and completeness to the customer

Our focus on managing costs was relentless in 2008, and Dow took aggressive moves to preserve our financial flexibility:

- We continued to prune our portfolio to create a leaner, higher-growth, market-centered group of businesses that will accelerate our transformation to an earnings-growth company. We divested nine businesses with revenues of $1.5 billion and more than $40 million of negative operating income.
- We took swift action during the fourth quarter to cut costs and defer or eliminate certain capital spending programs. Through management interventions, we cut discretionary spending by more than $225 million, reduced capital spending by more than $100 million, and decreased the volume of inventory by approximately $900 million in the fourth quarter.
- We announced a restructuring of our Company, resulting in a planned 11 percent work-force reduction, temporary production shutdowns at 180 plants and the closing of 20 production plants in high-cost areas. This is expected to yield annual pretax operating cost savings of $700 million by the end of 2010.

As a result, we ended the year in a position of financial strength, with $2.8 billion of cash on hand and a net debt-to-capital ratio below 40 percent.
Economic Performance Indicators

**EC1 Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers**

<table>
<thead>
<tr>
<th>Economic value retained, dollars in millions</th>
<th>2008</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>57,514 [Economic value generated]</td>
</tr>
<tr>
<td>Operating costs</td>
<td>43,504</td>
</tr>
<tr>
<td>Wages/Benefits</td>
<td>5,662 [Economic value distributed]</td>
</tr>
<tr>
<td>Payments to providers of capital</td>
<td>2,211</td>
</tr>
<tr>
<td>Payments to governments</td>
<td>1,100</td>
</tr>
<tr>
<td>Community investments</td>
<td>38</td>
</tr>
</tbody>
</table>

Economic value retained 4,999 [Economic value retained]

Operating costs do not include $839 million of restructuring charges that were reported in 2008. Payments to providers of capital includes $1,563 million in dividend payments.

**EC2 Financial implications and other risks and opportunities due to climate change**

Senior management is engaged in the implications related to the issue of climate change. The Chief Sustainability Officer led the effort that resulted in the position paper on climate change. Dow is actively engaged in advocating that the world’s response must be comprehensive, far-ranging and expeditious. A global climate-change strategy is called for, with sharp, firm and direct action to dramatically slow, stop and then reverse the growth of greenhouse gas levels in the atmosphere. Dow will advocate for and participate in the monetization of carbon in fair marketplaces, a critical objective in establishing country market mechanisms for cost-effective carbon management. Each country should be allowed to establish their own systems with targets set fairly for each industry sector with appropriate linkages to a globally negotiated system.

Dow will invest a significant portion of its research and development to support and develop alternative energy solutions for the world, especially solar photovoltaics. Additionally, Dow is researching less carbon-intensive raw material and energy sources for some of its existing processes. Two examples are:

- Dow plans to produce polyethylene from sugar cane, an annually renewable resource, emitting 85 percent less CO₂ over the life cycle relative to traditional methods
- A new propylene oxide (PO) plant in Antwerp, developed by BASF and Dow, uses hydrogen peroxide propylene oxide (HPPO) technology. HPPO technology results in a more than a 70 percent reduction in wastewater and a 35 percent reduction of energy usage compared with typical PO technologies currently in use

Dow senior management continues to evaluate the financial implications of climate change for the organization. No quantification of the financial implications is available as of the year ending 2008.

**EC3 Coverage of the organization’s defined benefit plan obligations**

Dow’s total rewards strategy is to provide compensation and benefits to employees that are competitive with other top global companies within the relevant labor market. Dow offers defined benefit pension plans in several countries where defined benefit plans are common. The largest of these defined benefit plans are in the United States, Canada, The Netherlands, Switzerland and Germany.
It is Dow’s policy to contribute to defined benefit plans where pension laws and economics either require, or encourage funding. As such, most of our pension plans are funded through separate trusts, with the notable exception of Germany where defined benefit plans are commonly book reserved. Dow also has unfunded plans for compensation above qualified or registered plan limits in the U.S. and Canada. All funded plans are in compliance with all local funding laws. The aggregate projected benefit obligation (“PBO”) under U.S. GAAP as of December 31, 2008 for all of Dow’s major defined benefit plans was $15.6 billion with an aggregate market value of assets of $11.6 billion. Contributions to Dow’s defined benefit plans are determined by funding regulations, negotiation with Trustees (where applicable) and economics. The corporate Benefit Governance and Finance Committee must approve any funding in excess of legal minimums.

Dow also offers defined contribution plans in many countries. Typically Dow encourages employee contributions to plans by offering matching contributions. The plan formulas in each country are designed to be competitive within that country. Since pension plans and other retirement benefits build upon social security, and social security benefits vary widely by country, Dow’s plan vary considerably country to country.

**EC4 Significant financial assistance received from government**

In March 2007, Dow Building Solutions was selected as a recipient of a $20 million, 50 percent cost share Solar America Initiative Pathways award by the U.S. Department of Energy. The award will be spread over three years. The project proposal was built around Dow’s extensive materials, engineering, and design and fabrication technology expertise, and will focus on incorporating photovoltaics directly into the design of commercial and residential building materials.

Working as a subcontractor for Xcellerex, Inc., Dowpharma is engaged in a two-year, $8 million project for the government’s Accelerated Manufacturing of Pharmaceuticals (AMP) program. Phenex Expression Technology™ is being developed to rapidly and cost effectively produce vaccines and antibodies in response to potential biological attacks.

**EC5 Range of ratios of standard entry level wage at significant locations of operation**

Dow does not use regional minimum wage rules to define compensation strategy for employees, but does comply with any applicable minimum wage requirements.

Dow offers competitive employee Base Pay, which is determined through our salary survey process. This process benchmarks compensation at other companies with whom we compete for talent, and helps Dow maintain employee pay that is tailored to geographically competitive standards.

In addition to employee Base Pay, where applicable, employees participate in Dow’s annual variable pay program which is dependent on individual and Company results. We also offer other programs that keep us competitive in the market and make us an Employer of Choice.

**EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation**

The Dow Chemical Company will conduct business with suppliers who are globally competitive and who will provide the lowest long term cost of ownership. Dow is dedicated to working closely with local suppliers to educate them about our strategic purchasing requirements. Dow will help local suppliers understand the need and potential actions for their business to be globally competitive.

The use of local suppliers or local content is considered in all Purchasing decisions.

**EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation**

We believe that our workforce should reflect the places where we do business today and tomorrow. This guides our hiring decisions, in addition to the criterion of choosing the best candidate for each job. We are working towards putting local leaders in charge of local operations by implementing various local training programs and placing potential leaders in assignments at major locations outside their home country to prepare them to lead in their home locations.
**EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement**

Dow believes that developing sustainable solutions to world challenges requires a collaborative approach from government, businesses, humanitarian organizations and consumers. We are committed to helping to improve the lives of future generations and furthering the creation of unique solutions that will continue to help meet the needs of our neighbors around the world.

In 2008, Dow contributed more than $38 million to support a wide range of programs that contribute to community success, support sustainability, foster science in society and stimulate innovation.

In-kind contributions were valued at an additional $8,908,465 in product and $784,436 in equipment.

Dow supports the United Nations Millennium Development Goal to cut in half the number of people without access to safe drinking water by 2015. In support of this goal, Dow is collaborating with an extensive network of Non-Government Organizations (NGOs), corporations and government agencies that are attempting to address the global water issue.

- Dow is a 30 percent owner of WaterHealth International (WHI), and in 2007 provided a $30 million loan guarantee to help WHI finance 2,000 small water systems that will supply clean water to more than 10 million people in rural India.
- We are committed to a partnership with International Aid to help provide 2.1 million pounds of plastic which will be used to manufacture 300,000 plastic biosand filters to give two million people access to clean drinking water over three years.
- Waterborne diseases are a leading killer of children in Haiti just behind malnutrition. Seventy-two children out of every 1,000 born in Haiti will die of waterborne illness, and only 8.5 percent of homes in Haiti are connected to public water utilities. To allow access to clean drinking water, Dow is sponsoring a project with Rotary International to provide funding to seven mission schools in Haiti, allowing 3,000 school children access to safe drinking water. Additionally, the project provides biosand filters for 100 families, providing approximately 600 people with safe drinking water.
- Dow is collaborating with The Nature Conservancy to restore the wetlands of the Cachoeira reservoir in the Cantareira System in Brazil’s Atlantic Forest. Dow and The Dow Chemical Company Foundation are the exclusive supporters of the reforestation of the highly degraded landscape whose freshwater services are critical to the health and well-being of millions of people in Brazil.

In 1995, Dow approached The Conservation Fund about studying the concerns and needs of the Saginaw Bay region in mid-Michigan, USA and launching a sustainable development program to benefit local communities. Through this partnership the Saginaw Bay Watershed Initiative (WIN) was born. WIN has launched many projects to protect and restore habitat, improve access to natural resources, foster nature-based tourism, inform people about non-point source pollution, and support sustainable agriculture.

Visit our [Interactive Map](#) to explore how Dow is engaged in 30 different water-related and eco-initiatives around the world.

**Committed to Decent and Affordable Housing**

As a cornerstone member of Habitat for Humanity since the 1980s, Dow provides insulation and other building solutions to Habitat affiliates in the United States through its national contract with Habitat for Humanity International.

In 2008, Dow donated building and construction materials for 5,950 Habitat for Humanity homes. Products like STYROFOAM™ Brand Extruded Polystyrene Insulation help keep homes warm in winter and cool in summer. Homes are more comfortable, and utility costs are lower — important benefits for Habitat homeowners.

Dow and Habitat for Humanity celebrated 25 years of home building together, including annual support for the Carter Work Projects. Dow lends support to Habitat in many ways, including funding, product donation, and employee volunteer time at builds around the world. This collaboration is part of Dow’s commitment to help solve some of the world’s most pressing challenges, including decent and affordable housing.

**Chemical Transportation Safety and Security**

During 2008, Dow continued to advance rail safety and security. 20 years ago, Dow and Union Pacific co-founded TRANSCAER (Transportation Community Awareness and Emergency Response), the voluntary national outreach group for local emergency responders and community leaders to experience hands-on demonstrations and educational workshops.
More information about the UP/Dow TRANSCAER Training Tour, including schedule and training details, can be found at TRANSCAER Training Tour. A progress report of how the two companies are progressing to increase rail safety and security is available on dow.com.

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts

Dow does not attempt to aggregate a measure of the indirect economic impacts that result from its 150 locations throughout the world. The 2015 Sustainability Goal, Contributing to Community Success, is specifically designed to improve the quality of life, a concept that is not easily measured in currency. As these plans reach fruition they will contribute to stronger, safer and more sustainable communities.

Nine of ten strategic Dow sites around the globe have begun to initiate improvements by redefining and realigning actions aimed to impact a positive change towards quality of life. Over the next several months we will engage in collaborative efforts within our strategic sites to demonstrate a strong reinforcement of site leadership, employee engagement and best practices to further our Community Success goal.

Examples of Community Success efforts now underway include:

• In mid-Michigan, as a result of the Community Success survey, Dow has taken a lead role in addressing the harsh reality of today’s economy, especially in a large automotive manufacturing state. Dow initially developed and then partnered with Delta College to deliver and refine the “Fast Start” curriculum. “Fast Start” allows individuals, who may already have a technical associate’s degree or military experience in a related field, to complete the Chemical Processing portion of an associate’s degree (25 credits) in 16 weeks and emerge prepared to perform in jobs and careers as operators and technicians in the chemical manufacturing industry.

• Dow’s site in Pittsburg, California recently hosted groups of teachers on site as a part of their goal to reach out to stakeholders in the community who are involved in education. First, a group of 15 marine biology and environmental science teachers toured the Dow Wetlands to better understand watershed issues. These teachers lead tours for fifth grade students throughout the county on a research vessel called the Robert Brownlee. The second group of teachers participated in BEST Day (Business and Educators Shadowing for Tomorrow). These high school biology and manufacturing teachers toured the Wetlands, then spent a morning with Dow employees who explained Dow’s focus on EH&S, discussed our commitment to the community and showed them our solar farm as well as what takes place in a control room. It was an experience that was assured to be taken back into their classrooms. By providing these on-site experiences to teachers, Dow will reach hundreds of students in the community.

Like many of Dow’s major sites, Terneuzen is a key supporter of educational programs in the area. One of the outcomes from their Community Success survey was to provide the opportunity for technology studies in the region.

In the future, a technical training pilot plant at the Regional Education Center in Terneuzen will enable on-the-job training for future operators. In the coming months, Dow will participate in planning to help develop Terneuzen as a center of innovation for the 21st century.
At Dow, protecting people and the environment is part of everything we do and every decision we make.

Each employee has a responsibility to ensure that our products and operations meet applicable government or Dow standards — whichever is more stringent. Our goal is to eliminate all injuries, prevent adverse environmental and health impacts, reduce wastes and emissions and promote resource conservation at every stage of the life cycle of our products. We will report our progress and be responsive to the public.

Setting long range goals has contributed significantly to our environmental performance and appreciation for our role in society. Dow set 10-year goals in 1996 — to improve our environment, health and safety performance. These goals were set based on a vision of what the world expected of us as a leader in 2005, and indeed, what we expected of ourselves, using Responsible Care® as the foundation.

We had tremendous impact through our 2005 EH&S goals. Thanks to the hard work and dedication of our employees, the improvements Dow implemented from our first set of sustainability goals included:

- Saving the company over $5 billion on an investment of $1 billion in technology and processes
- Reducing solid waste by 1.6 billion pounds - **enough to fill 415 athletic fields one meter deep**
- Reducing waste water by 183 billion pounds — **equal to water usage for 170,000 U.S. homes for one year**
- Saved 900 trillion BTUs of energy — **enough to power 8 million U.S. homes for one year**
- Reduced personal safety and health incidents by 84 percent.

A new set of ten-year goals, the 2015 Sustainability Goals, now challenges us to continue to improve even where best-in-class performance has already been accomplished.

The 2015 Sustainability Goals are divided in to seven areas:

- Local Protection of Human Health and the Environment
- Contributing to Community Success
- Product Safety Leadership
- Sustainable Chemistry
- Breakthroughs to World Challenges
- Energy Efficiency and Conservation
- Climate Change

Progress towards reaching our 2015 Sustainability Goal targets is reported quarterly on our [Web site](#).

The most senior executive position with responsibility for Environmental Aspects is the Chief Sustainability Officer, David E. Kepler II.
Environmental Disclosure on Management Approach

Each year the Form 10-K report contains a section entitled Environmental Matters as required by the U. S. Securities and Exchange Commission.

Environmental Performance Indicators

ASPECT: MATERIALS

EN1 Materials used
The Company operates in an integrated manufacturing environment. Basic raw materials are processed through many stages to produce a number of products that are sold as finished goods at various points in those processes.

The two major raw material streams that feed the integrated production of the Company’s finished goods are chlorine-based and hydrocarbon-based raw materials.

Salt, limestone and natural brine are the base raw materials used in the production of chlor-alkali products and derivatives. The Company owns salt deposits in Louisiana, Michigan and Texas; Alberta, Canada; Brazil; and Germany. The Company also owns natural brine deposits in Michigan and limestone deposits in Texas.

The Company purchases hydrocarbon raw materials including liquefied petroleum gases, crude oil, naphtha, natural gas and hydrocarbons including condensate. These raw materials are used in the production of both saleable products and energy. The Company also purchases electric power, benzene, ethylene, propylene and styrene to supplement internal production. Expenditures for hydrocarbon feedstocks and energy accounted for 48 percent of the Company’s production costs and operating expenses for the year ended December 31, 2008. The Company purchases these raw materials on both short- and long-term contracts.

Other significant raw materials include acrylonitrile, aniline, bisphenol, co-monomers (for linear low density polyethylene), methanol, rubber, carbon black, ammonia, formaldehyde and toluene diamine. The Company purchases these raw materials on both short- and long-term contracts.

The Company had adequate supplies of raw materials during 2008, and expects to continue to have adequate supplies of raw materials in 2009.

EN2 Percentage of materials used that are recycled input materials
Most Dow products and processes do not involve externally-sourced recycled materials. We are increasing the amount of recycle-based feedstocks (streams that otherwise would have been incinerated) as alternate feedstock to our Per-Tet product area. Currently the external recycle stream in this business is less than 5 percent of total feedstock.

Within Dow processes, internal recycle is a normal practice. An example is the collection and reuse of all trimming involved in extruded polystyrene production, avoiding disposal cost and the need for additional raw material.

ASPECT: ENERGY

EN3 Direct energy consumption by primary source
The direct energy consumed by the Company to produce product in 2008 was 333 trillion BTUs, or 352 million gigajoules. Approximately 59 percent of this direct energy was generated from purchased fuel gas, 38 percent was fuel from feedstock, and the remaining was other gas. Additional direct energy consumption such as that occurring in office buildings and research facilities is small in comparison to the energy consumed in manufacturing operations. This additional non-manufacturing energy consumption is not aggregated by the company at this time.
**EN4 Indirect energy use by primary source**

Indirect energy is a challenge to aggregate by source in a company with diverse operations that operate globally and engage in the purchase and the sale of energy. In 2008, the company estimates that indirect energy to produce product came from power and steam totaling 176 trillion BTUs, or 186 million gigajoules. Additional indirect energy consumption, such as that occurring in office buildings and research facilities, is small in comparison to the energy consumed in manufacturing operations. This additional non-manufacturing energy consumption is not aggregated by the Company at this time.

**EN5 Energy saved through conservation and efficiency improvements**

Dow has saved the equivalent of more than $8.6 billion and 1,600 trillion BTUs by decreasing its energy requirements per unit of production when measuring the annual impact of savings each year using the average cost of energy in that year and the improvement in energy intensity compared to a 1994 base.

Energy intensity improved 22 percent during the first 10-year energy intensity goal (1994-2005), exceeding the 20 percent improvement target for the period. In 2006, Dow defined a new 10-year energy goal to drive an additional 25 percent improvement in energy intensity by 2015 using 2005 as the basis for comparison. Energy intensity improvements from 2005 through 2008 have resulted in avoided energy consumption of 22 trillion BTUs.

**EN6 Initiatives to provide energy-efficient or renewable energy based products and services**

The year 2008 was very significant for STYROFOAM™ brand insulation, the product that builders have trusted for more than 60 years for its superior moisture resistance and long term value retention. Dow will complete conversion to a new zero ozone-depleting, no-volatile organic compound (VOC) foaming agent technology at all of its plants in advance of the Montreal Protocol deadline. Dow’s investment in this new technology is an investment that improves the sustainability of our products and reduces our environmental footprint. See EN17 to read more about how STYROFOAM insulation helps prevent greenhouse gas emissions over its useful life.

The most significant of several initiatives to provide lower energy intensive products in the future is in the area of solar panels, or photovoltaics. Solar power offers a potentially compelling answer to society’s need for a clean, abundant energy source. Unfortunately, the costs for photovoltaic power have traditionally been uncompetitive with conventional power sources.

With a consortium of partners, we are developing solar energy collection technology, called Building Integrated Photovoltaics (BIPVs). Through this technology, building materials do double duty — providing the outer protection for the building while generating power. In 2007, the project was selected as one of 13 industry-led initiatives to receive funding from the Solar America Initiative Technology Pathway Partnerships program through the U.S. Department of Energy. As part of the cooperative agreement, Dow plans to invest approximately $50 million in research and development efforts in this next generation of solar technology.

Building Integrated Photovoltaics eliminates the traditional trade-offs of solar cells by incorporating solar energy generation materials directly into commercial and residential building materials, such as roofing systems, exterior sidings, fascias and more. Ease of installation and easy maintenance are key development requirements being addressed to enable consumers to benefit from affordable, renewable, locally produced energy.

In other applications, diesel-based engines are widely considered the most efficient internal combustion engine technologies available today. Evidence of this is better fuel economy, improved power and lower greenhouse gas emissions as compared to conventional gasoline-based engines.
Considered a drawback of the diesel engine combustion process however, is the emission of exhaust pollutants such as particulate matter, or ‘soot’. Since the early 1990s, complex engine exhaust after-treatment systems have worked toward controlling such pollutants. Diesel powered cars, commercial vehicles, and off-road equipment at use in many parts of the world are subject to increasingly stringent environmental regulations to mitigate release of harmful emissions. A major challenge for engine manufacturers is compliance with standards in a cost-effective manner without disadvantaging the diesel engine’s fuel economy and reduced greenhouse gas emissions. Dow responded to the challenge with science, innovation and a new technology solution to control soot emissions and the associated engine performance drawbacks: AERIFY™ Diesel Particulate Filters (DPF).

AERIFY™ DPF – developed and manufactured by Dow, addresses these challenges head-on. AERIFY DPFs are cylindrical-shaped parts located in the engine exhaust system that trap soot before it reaches the tailpipe. Dow AERIFY parts are constructed out of a highly innovative advanced ceramic honeycomb material comprised of a complex microscopic structure of needle-like fibers that offers unparalleled chemical properties and part performance attributes. AERIFY DPFs efficiently capture soot particles from the engine exhaust stream while at the same time provide minimal restriction and pressure increase on the hot exhaust air passing through the system. This directly translates into increased engine power and significantly reduced non-renewable fuel consumed by the engine. This is superior energy efficiency and pollution control that both the vehicle driver and planet can appreciate.

To learn more, visit the Dow Automotive Web site.

DOWTHERM™ Performance Fluids are enabling solar power plants to collect heat and convert it to electrical energy. Located in southern Spain, the three plants deliver 150 megawatts, enough to power about 90,000 homes every year.

Dow products contribute to the generation of 2,400 megawatts (MW) of renewable wind energy each year. Windmill blades that use STYROFOAM brand insulation and AIRSTONE Systems for Wind Energy are key components in many wind turbines operating today.

**Alternative Feedstocks**

Feedstocks are the raw materials Dow uses to manufacture a wide array of products that we use everyday. More than 96 percent of all manufactured products are based in chemistry — and the building block for this begins with feedstocks.

The challenge, however, is that feedstocks are some of the world’s most highly sought-after commodities: oil and natural gas. Because global energy demand is projected to grow by more than 50 percent by 2030, Dow continues to focus on new and sustainable options for manufacturing in an energy-challenged world. Dow remains committed to finding alternative feedstocks as the availability of feedstocks strongly influences Dow’s financial position, operations, reputation and future interests.

At Dow, the alternative feedstocks arena is about developing a robust portfolio of solutions that provide sustainable, short, medium and long-term alternatives to oil and natural gas. We are also working hard to deliver bio-based differentiated products for our customers. The key areas of focus are;

- ethanol from sugarcane,
- routes to cellulosic ethanol,
- syngas conversion and
- methane functionalization.

Other potential alternatives may include, but are not limited to: coal, tar sands and other biomass.

Bio-based products will grow and drive the emergence of bio feedstocks to compliment traditional petroleum-based raw materials. New opportunities will emerge as Dow, and others, apply knowledge and technology to turn the bio-based building blocks coming from the earth into useful products. The Dow Wolff Cellulosics business is an example of a significant Dow business that provides products that have been used for years to deliver enhanced performance and functionality.

**EN7 Initiatives to reduce indirect energy consumption and reductions achieved**

Indirect energy that results from purchasing materials, outbound shipping, commuting, and subcontracted production are not significant when compared to the hydrocarbon raw materials and energy requirements of Dow. Various efforts continue to underscore that the individual contributions of every employee help save energy and reduce cost. The reductions achieved have not been quantified.
In 2006, Andrew Liveris made a speech specifically calling out The Dow Chemical Company’s commitment to water. This continues to be our driving force around Dow’s efforts and continued engagement in water.

Liveris reaffirmed Dow’s positions in the World Economic Forum’s publication, ENERGY VISION UPDATE 2009 Thirsty Energy: Water and Energy in the 21st Century by stating:

At Dow, we are using our innovation skills to address the challenges related to water, energy and food. Our Dow Water Solutions business is dedicated to providing innovative, technology-based solutions to a broad spectrum of water issues – from treating seawater to make it fit for human consumption, to contaminant removal in municipal water supplies, to industrial and residential water purification systems and to reducing and reclaiming water used in industrial processing. As part of our 2015 Sustainability goals, this business is working towards reducing the cost of desalination and water reuse by 35%. The key success factor in achieving this goal is reducing the overall energy consumption of desalination. Reverse osmosis technologies have made great strides in this area, and more improvements are in the future. Dow Agro Sciences is another business contributing to the solutions by developing drought resistant crops that produce “more crop per drop,” bringing more value to local farmers and potentially increasing local food supplies.

Dow is a leading supporter of the United Nations’ CEO Water Mandate, a mechanism of engagement of the business sector toward the issue of clean and affordable water for all. The mandate entails a comprehensive set of commitments in all relevant areas, including conservation, business solutions and participating in the public policy process to find effective models.

To drive our commitment to affordable, safe and sustainable water supplies, Dow will:

• Drive a 35 percent reduction in the cost of water reuse and desalination, through component technology advances.
• Be a key enabler of low-cost technologies and business models for small water treatment systems in the developing world.
• Develop and implement minimal discharge plant designs while continuously improving Dow’s water use efficiency.
• Catalyze awareness and action on the global safe water crisis through leading innovative partnerships with corporations, NGOs and government agencies.

Dow AgroSciences, the agricultural subsidiary of Dow, is committing its innovative biotech resources to the development of drought-tolerant crops, including corn and canola.

**EN8 Total water withdrawal by source**
Water intake, shown in millions of cubic meters, is down approximately 8 percent when compared to 2005.

**EN9 Water resources significantly affected by withdrawal of water**
The World Business Council for Sustainable Development water analysis tool has helped bring focus and prioritization to our planning for potential future challenges. Each Dow manufacturing facility located in a water stressed region (as defined by the World Business Council’s Global Water Tool) has a specific water risk management plan addressing the “local/regional” water challenges. The risk management plan is unique to local drivers. Some locations have the opportunity to partner with the community and collaboratively develop a shared water risk management plan.
The analysis identified these locations as priority sites from a water management perspective.

<table>
<thead>
<tr>
<th>Dow Location</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seadrift, Texas</td>
<td>Guadalupe River</td>
</tr>
<tr>
<td>Aratu, Brazil</td>
<td>Purchase freshwater</td>
</tr>
<tr>
<td>Bahia Blanca, Argentina</td>
<td>Purchase freshwater</td>
</tr>
<tr>
<td>Terneuzen, The Netherlands</td>
<td>River Elbe</td>
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<tr>
<td>Tarragona, Spain</td>
<td>Purchase freshwater supply, source is Ebro river diversion</td>
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<tr>
<td>Dow Central Germany</td>
<td>Böhlen rivers, Schkopau river</td>
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<tr>
<td>Freeport, Texas</td>
<td>Brazos River</td>
</tr>
</tbody>
</table>

**EN10 Percentage and total volume of water recycled and reused**

Recycle and reuse totals are not compiled for the total company.

An example of recycle and reuse of water in Dow operations at our Freeport, Texas, production site involves improved cooling tower controls and chemistry upgrades. Among other environmental benefits such as saving energy and reducing exchanger cleaning chemical usage with subsequent discharge, this project resulted in fresh water conservation of 2.7-4.0 million cubic meters per year and correspondingly, about the same volume wastewater discharge.

Dow Terneuzen in The Netherlands, restructured its water process to recycle 80 percent of the freshwater. In 2007, the site and its partners, Evides and the Zeeland-Flanders District Water Board, expanded the concept by integrating with local municipalities to use local sewage water for industrial use. Combined, the projects annually reduce treatment chemicals by 500 tons, reduce CO₂ emissions by more than 57,000 tons, reduce energy sufficient to power 1,000 residences, and preserve the local fresh water supply.

Dow products also enable customers to be better stewards of water resources. FILMTEC™ reverse osmosis membranes were used at three wastewater reclamation and reuse facilities in early 2008, in conjunction with the Beijing Olympic Games. It is estimated that the components supplied by Dow Water Solutions will help treat 45,000 cubic meters of water per day. Through the continued efforts of the Beijing Municipal Government, the wastewater reuse rate in Beijing approached 50 percent compared to a previous rate of 15 percent, according to Beijing Drainage Group.

**ASPECT: BIODIVERSITY**

**EN11 Location and size of land owned, leased, managed in, or adjacent to protected areas, and areas of high biodiversity value outside protected areas**

This indicator helps reporters identify and understand risks associated with biodiversity. During 2008, Dow reviewed where operations exist in proximity to areas of high biodiversity value, and identified these examples.

In Terneuzen, The Netherlands, the Dow site encompasses approximately 1,300 acres located adjacent to the Western Scheldt River. This river has been identified as a nature protection area in the framework of the European network of nature areas, Natura 2000. In 2007, the Terneuzen site conducted a nature impact assessment for the river based on emissions and waste water discharges of the site. Impacts were found to be negligible, and planned control measures were given new attention.

Dow’s site in Guarujá, Brazil (coast city in the state of São Paulo) is located in an 800,000 square meters area surrounded by the Atlantic Forest (Mata Atlântica) – ranked among the top five conservation priorities worldwide.

Wildlife biologists from the Illinois Department of Natural Resources’ Natural History Survey positively identified a Blanding’s Turtle on the Joliet, Illinois site. Blanding’s Turtles are an Illinois State Threatened Species. During 2008, two Blanding’s Turtles were observed in separate locations leading Dow to believe a small population still exists. The Joliet site covers 860 acres, of which about half is prairie, wooded or wetlands.
**EN12 Description of significant impacts on biodiversity in protected areas and areas of high biodiversity value**

The Company is not aware of events in 2008 causing significant impacts on biodiversity in protected areas or areas of high biodiversity value. Our Environmental, Health & Safety Remediation group manages historic environmental liabilities associated with known or suspected contamination of soil and groundwater at Dow or Dow subsidiary sites, which includes operating sites and legacy sites. Legacy sites are defined as surplus properties where Dow or a Dow subsidiary or acquisition has operated in the past and no longer has operations. Our Land Revitalization program defines our long-term stewardship of these land assets and manages these sites to maximize the total value to Dow and the adjacent communities while managing the known or suspected contamination of soil and groundwater.

**EN13 Habitats protected or restored**

Regional stewardship for the preservation and development of nature reserves is one of the elements of Dow’s community success strategy in Terneuzen, the Netherlands. For a number of years Dow has adopted the wetland reserve ‘Het Verdronken Land van Saeftinghe’, a unique nature reserve in the northwestern part of Europe.

Related to operations in Guarujá, Brazil, Dow developed three important environmental programs: Clean Mangrove (education for community members about the local environment), Bird’s Port (recovering and improving the attractiveness for birds in all areas of the Guarujá Marine & Terminal) and Ambassadors of the Environment (partnership with Jean-Michel Cousteau’s Ocean Futures Society to provide education and unique experiences for students in a preserved mangrove area). These efforts work to bring about appreciation and preservation of the local biodiversity.

The Wildlife Habitat Council’s Corporate Wildlife Habitat Certification/International Accreditation Program recognizes commendable wildlife habitat management and environmental education programs. WHC certification adds value to programs by providing third-party credibility and an objective evaluation of projects.

The following sites have received WHC certification:

- Dalton, Georgia Site; certified since 1991
- Dow Wetlands Preserve, Pittsburg, California; certified since 1993
- Joliet Site, Channahon, Illinois; certified since 1990. A Bluebird nesting program continues to be a source of pride for the Joliet Site. It is now common to observe bluebirds on the property. Canada Geese, Mallards and Wood Ducks continue to nest in natural areas in and around the wetlands each year.
- Union Carbide West Virginia Operations, South Charleston Site – Technology Park; certified since 2007
- Texas Operations, Freeport, Texas; certified since 1992
- Union Carbide Corporation Disposal Site, Sault Ste. Marie, Michigan; certified since 2006
- Western Canada Operations, Fort Saskatchewan, Alberta, Canada; certified since 1999

An additional habitat preservation site has been established at the River Road Landfill, Piscataway, New Jersey.

**EN14 Strategies, current actions and future plans for managing impacts on biodiversity**

Dow is investing human and financial resources around the world to protect, restore and manage impacts on biodiversity in key habitats near its operations and community. Among the initiatives, we are proud to mention:

**Latin America:**

- Cachoeira Restoration Program in Brazil: Dow has pledged $1.5 million through its charitable foundation to The Nature Conservancy for the restoration of 865 acres surrounding a key reservoir of the Cantareira System, one of the largest water supply systems in the world. The Piracicaba-Capivari-Jundiaí (PCJ) watershed, where the Cachoeira Restoration Project is located, provides water through the Cantareira Water System to nearly 9 million people in São Paulo – Brazil’s largest city. In less than one year, Dow’s support for The Nature Conservancy reached many important benchmarks, such as: a complete flora and fauna survey in the region; establishment of a reforestation methodology with the most cutting edge technology available on restoration ecology; and the engagement of the local community in the project implementation.
• Dow joined efforts with the Mexico City government to rescue the last living river of the city. The program strongly considers that working with the communities is critical to avoid deforestation which is key for water infiltration into this basin. Dow signed an agreement with Mexico City Government, San Nicolás Totolapan Community, Betadiversidad in order to reach two critical objectives:
  – create a sustainable business model that grants work opportunities, encourages conservation and water infiltration, builds capacities to the community members, takes advantage of abandoned facilities to make them productive and creates a model that can be replicable within the community;
  – encourage the creation of a water culture in the community by identifying critical areas and actions.

Europe:
• In 2005, the Terneuzen, Netherlands site defined an inventory of on-site rare or protected species (flora and fauna). On the basis of the inventory, a protocol for land management has been established in order to avoid, as much as possible damage to protected or rare species, as a result of maintenance and project activities.

North America:
• In the United States, the Texas Operations Wildlife Support Team (TOWST) again held an open house to help people from the community observe one of the largest Black Skimmer bird colonies on the Gulf Coast. The site maintains a crushed oyster shell and limestone area, fresh water supply and fencing to ward off predators, to provide for an estimated 500 skimmers to annually use as their nesting grounds. Visitors learn from TOWST, and from conservation partners such as the Gulf Coast Bird Observatory and the Gulf Coast Wildlife Rescue Organization.
• In Joliet, Illinois a 26 acre prairie restoration project continues to help provide for ongoing biodiversity. Eighteen acres have been planted with little bluestem, side oats grama and big bluestem. Eight acres were planted with alfalfa, clover and orchard grass. The Joliet site will continue to follow the implementation schedule recommended in the Wildlife Management Plan developed by the Illinois Department of Natural Resources specifically for this area.
• A lake created at the Seadrift, Texas Site maintains a constant water level to provide an excellent habitat for aquatic life and a valuable freshwater resource to sustain wildlife. The Site is currently working on a plan to designate a section of land as a Wildlife Management Area. The area will be set up with a nature trail and includes a diverse area of habitat (marsh land, wetlands, open prairie and a wooded area) that can be use for educational purposes and surveys of wildlife.

EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk
This information is not collected at this time.

ASPECT: EMISSIONS, EFFLUENTS AND WASTE

In several of the following Environmental Performance Indicators, a value for our baseline in 1994 is provided for perspective. 1994 was the base year reference point marking the beginning of our first 10-year EH&S goals commitment. The values illustrated for 1994 are provided for perspective and should not be used for absolute comparison purposes.
**EN16 Total direct and indirect greenhouse gas emissions by weight**

Direct greenhouse gas (GHG) emissions are from sources controlled by Dow, and include Kyoto and non-Kyoto GHGs. Our 2008 direct GHG emissions, expressed as carbon dioxide equivalents, decreased 6 percent from 2007 to 2008. This was due to continuing efforts in energy reductions as well as lower operating rates during 2008.

Indirect GHG emissions are the consequence of Dow’s consumption of energy but are emitted from sources controlled by another company, for example, by the supplier of purchased power. Our 2008 indirect emissions have decreased 33 percent from 2005-2006 and are flat in 2008 compared to prior years.

One of the 2015 Sustainability Goal metrics is to reduce the intensity of GHG emissions per unit of production. During 2008, Dow’s GHG emissions were 0.60 metric tonne per metric tonne of production, about a 5 percent increase from base year 2005. This increase is due to the lower operating rates experienced in 2008. By improving energy efficiency and implementing technology improvements, Dow’s goal is to reduce GHG intensity 2.5 percent per year from 2005 to 2015.

**EN17 Other relevant indirect greenhouse gas emissions by weight**

Dow’s most significant “other indirect emissions” are avoided emissions resulting from the use of Dow products such as insulation.

A life cycle assessment (LCA) was completed in 2008 and documented that emissions saved by Dow insulation products are nearly six times greater than total company direct and indirect Kyoto and non-Kyoto greenhouse gas emissions. The study determined that GHG reductions resulting from the use of Dow thermal insulation in residential and commercial buildings, and in industrial pipe applications, were even more significant than previously understood. This calculation was made by quantifying the GHG emissions at all stages of the life cycle of the Dow insulation product and comparing these with the GHG emissions savings from the use of the insulation products in buildings and pipe systems.

The addition of thermal insulation to a structure reduces the energy that has to be expended to maintain a constant internal temperature and, reduces the emission of GHG from fuels combusted to provide energy to heat and/or cool the building or pipeline. For each application, the rate of heat transfer was determined with and without the Dow insulation product. The Dow products assessed in this LCA were:
• Extruded polystyrene foam (XPS) (STYROFOAM™ brand insulation), used as thermal insulation in residential and commercial buildings.
• Rigid polyisocyanurate (ISO or ISO boardstock) foam (THERMAX™ insulation) used as thermal insulation in residential and commercial buildings.
• Rigid polyisocyanurate foam (TRYMER™ polyisocyanurate foam) and extruded polystyrene foam (STYROFOAM™ brand pipe insulation billets) used as thermal insulation in commercial pipe applications.

Emissions from transportation of Dow products to customers are in the magnitude of five million metric tonnes per year. The total CO2 equivalent indirect emissions resulting from commercial air travel were estimated to be 19,500 metric tonnes during 2008, a 17 percent reduction from the prior year.

Dow has an ownership position in many joint ventures that are separately held corporations and are operated by the joint venture, not by Dow. Dow considers the emissions from joint ventures separately from scope under the GHG protocol.

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved
Dow’s vision for climate change is reflected in its 2015 Sustainability Goals — a public commitment to hold ourselves accountable in the pursuit of solutions to pressing global challenges.

Through this commitment, and that of our previous 2005 EH&S Goals, we have reduced the Company’s absolute greenhouse gas emissions by more than 20 percent since 1990, representing a more rapid reduction than required by Kyoto Protocol targets. The energy savings resulting from increased efficiency since 2005, through 2008 as reported in EN5 can be converted to equivalent greenhouse gas emissions avoided equaling 1.15 million metric tonnes of CO2. The activities described in EN6 and EN7, and implementing new processes that emit less greenhouse gas emissions compared to traditional routes, will also be important to driving reductions in the future.

Dow is making significant financial investments in R&D to achieve breakthrough solutions that will contribute to the slowing, stopping and reversal of the rate of GHGs being emitted. Dow participates in the EU emissions trading scheme (ETS) and is a member of the United States Climate Action Partnership (USCAP), an organization of leading corporations and environmental NGOs calling for swift government action to slow, stop and reverse the rate of greenhouse gas emissions.

For more information on Dow’s position on addressing the issue of climate change, read Dow’s vision paper titled Working to Solve the World’s Energy and Climate Challenges.

EN19 Emissions of ozone-depleting substances by weight
Between 1994 and 2005, Dow has reduced ozone-depleting substances by approximately 74 percent. Ozone-depleting emissions were reduced an additional 3 percent since 2005.

EN20 NOx, SOx, and other significant air emissions by type and weight
Between 1994 and 2005 Dow has achieved approximately 67 percent in NOx (nitrogen oxides) reduction. Overall NOx was been reduced an additional 21 percent since 2005.
Between 1994 and 2005 Dow achieved a 50 percent reduction in SOx (sulfur oxides) emissions. Overall SOx has decreased an additional 46 percent since 2005.

Volatile organic compounds are a selection of organic chemicals excluding low vapor pressure materials (chemicals with vapor pressures >0.0001 atmospheres minus the chemicals found on the U.S. EPA exclusion list). Dow has seen a 53 percent reduction in VOC emissions in the years between 1994 and 2005.

Dow continues its efforts to reduce emissions and has seen an additional 20 percent reduction in VOCs since 2005.

In addition to ozone-depleting substances, Dow also tracks chemical emissions (excluding items such as NOx, SOx, CO, CO₂, particulates, methane, hydrogen, nitrogen, oxygen, water, aluminium, and certain salts). Between 1994 and 2005, Dow reduced chemical emissions by approximately 59 percent. Dow’s continued efforts have also reduced these emissions by another 15 percent since 2005. This metric is compiled for emissions to both air and to water.

**EN21 Total water discharge by quality and destination**

Dow has not aggregated information other than wastewater sent to water treatment facilities. Dow has used the ratio of wastewater to production as a way to monitor the efficiency of use of water in our production processes over time.

Wastewater is the amount of water sent for treatment before discharge. Wastewater intensity is the ratio of pounds of wastewater per pound of production. Between 1994-2005, Dow achieved a 37 percent reduction. Although total wastewater was down slightly from 2007, wastewater intensity increased largely as the result of operating at low rates in the fourth quarter 2008 when production dropped 30 percent compared to the average. Dow is dedicated to implementing innovative ways to conserve water, which includes implementing source reductions as well as identifying creative ways to reuse water.

**EN22 Total weight of waste by type and disposal method**

Wastes are materials that receive treatment. Dow tracks waste with an intensity metric. Waste intensity is the ratio of pounds of waste generated per pound of production. Between 1994 and 2005, Dow achieved a 33 percent reduction in waste intensity. Waste intensity was unchanged from 2005, and up slightly compared to 2007. Dow continues to investigate ways of reducing waste at the source, or finding ways to recycle or reuse it. The use of waste intensity numbers allows Dow to effectively compare progress from year to year as the Company grows.
The total treated waste in 2008 was 1.4 million metric tonnes. Approximately 60 percent of the waste is classified as non-hazardous, and 40 percent as hazardous as defined by national legislation at the point of generation. The pie chart at right illustrates waste disposal by method.

**EN23 Total number and volume of significant spills**

No spills were of a magnitude that required reporting in the organization’s financial statement.

Dow has long monitored and set goals to improve performance in the area of spill avoidance. During 2008, in operations around the world, the total of all Loss of Primary Containment (LOPC) events equalled 431 occurrences, down 7 percent from the prior year total and reflecting our best annual results on record. The 2015 sustainability goal of no more than 75 incidents is a 90 percent reduction from 2005.

**EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and the percentage of transported waste shipped internationally**

The information is not reported by the Company at this time.

Dow has a Right Waste, Right Place strategy with regard to management of all waste. This involves evaluation of waste situations to see if they can be eliminated or reduced in size. Secondly, we look for other uses for the streams — either internally or externally — as feedstocks or for reclamation purposes. As a last option, we develop a reliable way to dispose of materials that can’t be utilized in any other way. For hazardous waste, our first choice in most cases is to bring the wastes to one of our own disposal facilities. In some situations it is appropriate to use third party facilities, but only after they have undergone a thorough audit conducted by a third party auditor and been reviewed for safety and environmental concerns.

**EN25 Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff**

This information is not collected by the Company at this time.

**ASPECT: PRODUCTS AND SERVICES**

**EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation**

Dow accepts the responsibility to be both stewards of the current environment and of the future, on behalf of future generations. We identify Chemicals and Health as a priority issue. To learn more about our Policy on Chemicals Management, visit the Product Responsibility section on Dow.com.

One initiative to mitigate the environmental impacts of products is through the 2015 Sustainability Goal, Product Safety Leadership. A focus of this goal is to develop Product Safety Assessments (PSAs) for all Dow products by 2015. During 2008, we completed 70 additional assessments and posted them on our PSA website. The Product Safety Assessments are easy-to-understand summaries, available online to help customers and the public have access to information about our products.

We track our progress publicly each quarter at Sustainability Reporting on Dow.com.
Another mitigation initiative involves a European offering called the SAFE-TAINER™ system from SAFECHEM. Coupled with additional service elements for solvent monitoring, this approach has provided more than 80 percent reduction in solvent waste and an 80 percent reduction in primary solvent requirement. The environmental impact accomplished is a reduction of 10 percent for photochemical oxidation, 25 percent for human toxicity and around 70 percent for other environmental impact categories. Introducing SAFECHEM Chemical Leasing offers the potential to reduce even further the solvent consumption by 40-80 percent.

Other mitigation efforts include our Product Stewardship program (See PR1 and PR3) and our commitment to implement the European Union regulation for the Registration, Evaluation, Authorization and Restriction of Chemicals known as REACH. One hundred percent of products are in compliance with coming requirements related to REACH.

EN27 Percentage of products sold and their packaging materials that are reclaimed by category
Dow products typically exist upstream in the value chain. The reclamation of the products can only be understood in the context of their end use. Due to the highly varied end uses in which Dow products are consumed, no estimate of the downstream product reclamation rates has been undertaken. Customers are often receiving Dow products in bulk quantities, and no packaging is involved.

ASPECT: COMPLIANCE

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations
Using the Dow incident reporting system that is part of EH&S reporting, fines and penalties are captured globally regardless of size or significance, and payment is reported based on the year paid. This incident reporting system does not classify whether a fine is related to product, the environment or other focus of law.

Other than the alternate pay amounts, the company does not have non-monetary sanctions to report for 2008, nor is there awareness of a case or cases that should be disclosed as events brought through dispute resolution.

The actual dollars paid in fines for year 2008 was $407,608. In lieu of paying a fine or penalty, alternate pay amounts usually encompass projects benefiting the environment or local community, such as pollution prevention or remediation programs, public awareness, education activities, or wetland conservation activities. An additional amount of $394,461 is identified in the alternate pay category for 2008.

ASPECT: TRANSPORT

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations and transporting members of the workforce
During 2008, Dow continued to advance rail safety and security. Working with TRANSCAER (Transportation Community Awareness and Emergency Response), the voluntary national outreach group that Dow and Union Pacific co-founded 20 years ago, local emergency responders and community leaders experience hands-on demonstrations and educational workshops. More information about the UP/Dow TRANSCAER Training Tour, including schedule and training details, can be found at TRANSCAER Training Tours. A progress report of how the two companies are on track to increase rail safety and security is available on dow.com.

To help minimize significant environmental impacts resulting from transporting products, Dow tracks the Hazmat Transportation Loss of Primary Containment (LOPC) count (Serious, Moderate & Minor incidents). During 2008 there were 24 events, four of which involved highly hazardous materials. Highly hazardous materials are those that pose a toxic inhalation hazard (TIH) or are a flammable gas. A ten year goal to reduce all Hazmat Transportation LOPC incidents to 10 or fewer per year was implemented in 2006.
Dow believes it is part of our corporate responsibility to reduce the volumes of Highly Hazardous Materials that need to be transported. We have set a 2015 Sustainability Goal to reduce the number of tonne-miles (a measure of how much we’re shipping and how far) by 50 percent from our levels in 2005, which was 1,410 million tonne-miles. Dow will accomplish this by looking at ways to redesign our supply chain to reduce or eliminate many shipments or the distances they must travel. (A tonne-mile is one metric ton of freight moved 1 mile or 1.6 km.)

**ASPECT: OVERALL**

**EN30 Total environmental protection expenditures and investments by type**

The costs specifically identified as environmental operations were $505 million during 2008. Significantly more related costs are incurred, but are not specifically accounted for as environmental expenditures. Dow invested $193 million of capital identified specifically for environmental purposes during 2008. Provisions established for environmental remediation worldwide amounted to $312 million as of December 31, 2008.
Labor Practice Disclosure on Management Approach

Dow believes that respect for the dignity, rights and ambitions of all people is a cornerstone of business excellence in the 21st century. This belief is outlined in Dow’s Code of Business Conduct and the policies at “My HR Connection.” My HR Connection is an internal website accessible by Dow employees only, that is a repository of the entire portfolio of total rewards the Company provides, including competitive pay, comprehensive benefits, learning and training, career opportunities, health programs, a diverse and inclusive work environment, and more.

It is the policy of The Dow Chemical Company that employees be provided a work environment which is respectful and free from any form of inappropriate or unprofessional behavior, such as harassment including sexual harassment, pestering or bullying and any form of unlawful discrimination based on sex, gender, race, sexual orientation, gender identity, disability, age, ethnic origin, or other inherent personal characteristic protected by law.

Dow recognizes and adheres to all labor and employment laws — including those respecting freedom of association, privacy and equal employment opportunity — wherever it operates. Dow believes that working positively and directly with employees best serves their interests. Dow also strives to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company’s mission.

To ensure its employees are always in the forefront in their respective fields, Dow encourages continuous learning – in classrooms, on assignment, through mentoring, and on the web. Dow offers its employees a wide array of training and education opportunities, including:

- Web-based ethics and compliance training, available in multiple languages and including modules on Dow’s Code of Business Conduct, Conflicts of Interest, Respect and Responsibility and many others.
- Personal Learning Plan for new employees, which contains required and recommended learning resources to enhance personal effectiveness and provide a comprehensive overview of the Company.
- Dow’s Global Educational Assistance Program, allowing employees to attend external courses that correspond with their personal development plans and add value to the organization.
- Dow’s Open Mentoring™ program, providing step-by-step guidelines for locating and establishing a mentor relationship, as well as tools, tips and resources for working within a mentoring relationship.
- Over 100 global chapters of employee diversity networks, bringing people together to share experiences, find mentors, seek professional development and gain access to senior leadership.

Dow’s health and safety rules are designed to provide a safe and healthy work environment, and meet applicable health and safety laws. As found in Dow’s Code of Business Conduct, each employee must be aware of the rules and procedures that apply to the workplace, diligently follow the rules and encourage others to do the same.
Dow’s “Drive to Zero” program is an internal effort to drive Dow employees to exceptional safety performance. It reinforces Dow’s Vision for EH&S: zero injuries and illnesses, zero incidents and zero environmental harm. Dow’s “Vision of Zero” means it will not tolerate injuries and illness among its workforce. This important commitment is reflected in the 2015 Sustainability Goal, “Local Protection of Human Health and the Environment.”

Dow is fostering an environment that embraces diverse viewpoints, safety in the workplace and continuous development. Dow encourages this culture to differentiate the Company as an employer of choice for Dow people and prospective employees; a supplier of choice for Dow customers; and a partner of choice in emerging economies around the globe.

The most senior position with responsibility for Labor Aspects is the Vice President for Human Resources, Gregory Freiwald.

**Labor Performance Indicators**

**ASPECT: EMPLOYMENT**

**LA1 Total workforce by employment type, employment contract, and region**

**Total Dow Workforce:**
46,102 employees as of December 31, 2008

**Breakdown by Employment Type:**
Full-time Dow employees: 96%
Part-time Dow employees 4%

**Breakdown by Employment Contract:**
Permanent Dow employees: 95.6%
Temporary Dow employees 4.4%

**Breakdown of Total Dow Population by Region:**
See section 2.8 for employees by geographic area

**LA2 Total number and rate of employee turnover by age group, gender and region**

Dow reports attrition based on the number of regular employees who leave the Company and is based on both voluntary and involuntary reductions. In 2008, 3,636 regular employees left or retired from Dow. The attrition rates by demographic are reflected below:

**The rates of attrition by gender:**
- 8.3 percent for males
- 8.7 percent for females

Dow does not report attrition based on age, but rather on years of experience.

**The rates of attrition for years of service, based on average headcount for these groups, are:**
- 10.6 percent for 0-5 years of service
- 8.5 percent for 5-10 years of service
- 7.5 percent for 10-15 years of service
- 7.4 percent for 15+ years of service

**The rates of attrition by region, based on average headcount for these groups, are:**
- 8.2 percent for North America
- 8.3 percent for Latin America
- 8.45 percent for Europe
- 11.3 percent for India, Middle East and Africa
- 9.2 percent for Pacific
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations
Dow’s total rewards strategy is to provide compensation and benefits to employees that are competitive with other top global companies within the relevant labor market. As such, Dow offers a wide variety of benefit plans to its employees. Plans vary considerably by country as Dow’s benefit plans are designed to build on the social security benefits provided in each country, and social security systems vary widely.

Dow typically offers the following benefits to employees in most of the countries it does business:
- Pension Plans – either defined benefit or defined contribution where market practice dictates
- Medical Plans – often including prescription drug coverage and dental
- Life Insurance
- Disability protection
- Accident Insurance
- Paid Vacation, Holiday and Leave programs
- Business Travel Accident
- Stock Purchase Plan

These plans are offered to all eligible regular full-time and less-than-full-time employees that work 20 or more hours per week; they are often eligible at a different contribution rate.

ASPECT: LABOR/MANAGEMENT RELATIONS

LA4 Percentage of employees covered by collective bargaining agreements
Of Dow’s total workforce, 6,056 employees (13.1 percent) are covered by collective bargaining agreements.

LA5 Minimum notice periods regarding operation changes, including whether it is specified in collective agreements
Dow keeps employees well informed of operational changes through a variety of channels. Global, business and functional specific news is communicated through our global intranet that can be accessed by any Dow employee in a variety of languages. In addition, leaders consistently cascade communications through the organization to Dow employees. These communications occur in a timeframe that is both timely and effective.

While there is no global minimum timeframe for notifying Dow employees of significant operational changes, Dow makes every effort to give a reasonable amount of notice to all employees in the event of a significant change. Dow has a proven history in recognizing and respecting all Labor and Employment Laws in the countries for which it operates. Under these laws, the company has adopted reasonable and effective communication tools for notifying employees of operational changes.

ASPECT: OCCUPATIONAL HEALTH AND SAFETY

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
Dow is involved in works councils in those countries where mandated by law. The Manufacturing and Engineering function utilizes many approaches to safety as part of Dow’s long established focus to prevent injuries. The “Drive to Zero” campaign, the visibility of the importance of safety in every function, and the resulting injury and illness rate performance all give evidence supporting that everyone is involved in making Dow a safe place to work.

Dow has a well developed health strategy focused on prevention, quality, health system management and advocacy. This strategy helps challenge employees, and provides them with the tools and information they need to take action to invest in their personal health and the health of their families.
**LA7 Rates of injury, occupational diseases, lost days, and absenteeism, and the number of work-related fatalities by region**

As a component of our 2005 EH&S Goals, Dow set a target to reduce Injury and Illness rate by 90 percent compared to 1994. Our actual improvement was 84 percent. The progress made in reducing our rate of injury and illness since 1994 has prevented more than 18,000 events involving Dow employees and contractors.

The 2015 Sustainability Goal target is to drive the Injury and Illness rate to no more than 0.08 incidents per 200,000 hours, representing another 75 percent reduction.

The following information from the American Chemistry Council provides context for Injury and Illness performance (for U.S. operations):

<table>
<thead>
<tr>
<th>Comparative Injury/ Illness rate (incidents / 200,000 hours)</th>
<th>Values for 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Dow employees and contractors:</td>
<td>0.4</td>
</tr>
<tr>
<td>• Responsible Care® chemical companies:</td>
<td>1.2</td>
</tr>
<tr>
<td>• All manufacturing:</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Days away from work injury and illness cases (DAWC) are included in the Dow injury and illness data. In 2008, DAWC occurred at a rate of 0.09 per 200,000 hours.

Information on absenteeism is not aggregated by the company.

There were no fatalities in 2008.

**LA8 Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases**

<table>
<thead>
<tr>
<th>Assistance Programs</th>
<th>Education/ Training</th>
<th>Counseling</th>
<th>Prevention/ Risk Control</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program recipients</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Workers</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Workers’ families</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Community members</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

Dow offers medical benefits programs to employees and their families which cover a range of preventive, diagnostic and treatment services. Programs vary by country and other criteria. Dow Health Services makes the following available in the area of Occupational Health and Health Promotion services:

- Employee clinical treatment services for work related conditions and limited non-work related conditions through approximately 75 Dow internal clinics globally.
- All employees are offered periodic Health Assessment examinations providing screening for a variety of diseases (including heart, lung, liver, kidney, blood, etc). Specific counseling and follow-up are provided to assist employees in reducing or mitigating any identified risks.
- Health Promotion programs are offered to all employees, and often retirees and their dependent family members as well. These programs include education on important health risks, opportunities to assess those risks and a variety of interventions that individuals can participate in to reduce their risk.
• Employee Assistance Programs are offered globally. These provide assistance and individual counseling for a variety of personal issues impacting employees and their families.

Dow employees, including Dow Health Services staff, have participated in or provided a variety of targeted programs that impact health beyond our employee groups. Some examples include: providing dental health services in underserved areas, HIV/AIDS programs, women’s health concerns, health presentations and health fairs. Dow also has partnered with several groups to improve clean water supplies to many communities throughout the world.

General review of Medical Surveillance testing results for specific Dow workgroups has not shown an increased incidence or high risk of disease.

**LA9 Health and safety topics covered in formal agreements with trade unions**
This information is not collected by the Company at this time.

**ASPECT: TRAINING AND EDUCATION**

**LA10 Average hours of training per year per employee by employee category**
Training and education varies by job role and responsibilities. On average, there were 48 hours of training per employee during 2008. Dow has extensive training programs for employees involved in every job category.

Dow’s training opportunities include both traditional and virtual classroom, instructor-led training, hands-on training, blended training, and book, video, and CD training. In addition, our intranet houses an extensive database of on-line training courses.

<table>
<thead>
<tr>
<th>Average Training hours / employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
</tr>
<tr>
<td>Professional level employees</td>
</tr>
<tr>
<td>Technical employees</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total for company</td>
</tr>
</tbody>
</table>

**LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings**
Dow has designed a number of tools and flexible options that allow workers who are near retirement to remain engaged, while also allowing them to meet their own priorities. This effort is directed toward employees who possess critical skills that the Company needs to sustain operations and create competitive advantage.

A booklet, “Career Planning Tools to Aid Retention of the Late Stage Career Worker,” was developed as a resource for leaders to offer guidance on engaging and retaining workers at or nearing retirement eligibility who have the critical skills Dow needs. Employees may find this guide is also a useful tool to initiate career discussions with their leader.

Dow employees are provided with career and career-ending resources on a Company intranet site: Late Stage Career Planning. Tools include:
- Values Self-Assessment
- Plateauing Brochure
- Career Orientations & Constraints
- Implementing Employee Development Discussions
- Mentoring at Dow

A booklet, “Tapping the Post-Retirement Worker,” provides leaders with solutions for re-hiring retirees as contractors or full-time employees and using Dow’s social network site to stay connected with retired talent. Employees may find this guide a useful resource as they consider the possibility of alternative forms of work after retirement.
LA12 Percentage of employees receiving regular performance and career development reviews

Dow has a global performance management process that provides a structure for improving the performance of all Dow employees, and offers resources that help employees enhance their performance.

Dow’s Performance Management process sets an expectation that all regular employees will receive a formal performance appraisal each year. This appraisal can include any or all of the following:

• A performance goal review, feedback and coaching
• An annual performance segment
• A compensation notification based on employee performance

The appraisals occur in the first quarter of the year following the reporting period (for the reporting period 2008, appraisals were conducted in Q1 2009).

For the 2008 reporting period, leaders reported that they delivered a formal performance review to more than 90 percent of employees. Dow management places great importance on striving to have every employee take advantage of meeting with their supervisor for a review of performance and development opportunities at least annually. Geographic transfers, temporary leaves, leaving the Company and job changes within the Company all contribute to a number of formal reviews below 100 percent.

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

LA13 Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity

As a global company whose employees represent over 100 citizenships, Dow recognizes the vital importance of diversity and inclusion to its overall business success. As such, the Company has put in place a comprehensive Diversity and Inclusion (D&I) strategy to ensure it attracts, develops, advances and retains a diverse workforce around the world, and nurtures a working environment characterized by respect and inclusion.

Dow’s strategy is anchored by three corporate diversity and inclusion goals, which were established in 1996 by Dow’s executive leadership. Behind each goal is a set of metrics and actions to drive progress:

• **Goal #1:** To be the “Employer of Choice” in strategic markets where we recruit talent. Working closely with our six global Employee Diversity Networks, of which there are over 100 chapters world wide, we have established a series of “best employer” awards targets that are meaningful to various segments of our population. These awards establish criteria for what it means to be an employer of choice within various diverse communities, and provide a competitive performance benchmark against “best practices” in the marketplace. Among the awards Dow has garnered:
  - Four consecutive years of receiving a 100 percent rating on the Human Rights Campaign’s Corporate Equality Index, for best practices in creating an inclusive environment for people of all sexual orientations and gender identities;
  - The 2008 U.S. Department of Labor’s New Freedom Initiative Award for excellence in hiring people with disabilities;
  - A spot on the “Top 100 Employers for Working Mothers” list compiled by *Working Mother* magazine in 2008 and 2009; as well as recognition by the National Association of Female Executives as a 2009 Top Company for Executive Women.

• **Goal #2:** To develop a workforce that reflects the places we do business today and tomorrow. This includes, but is not limited to, ensuring that women, ethnic minorities in the U.S. people with disabilities, and Asian citizens are represented in our leadership levels. We have established 2012 goals to close under-representation in leadership, and have steadily increased the number of women, minorities and Asian citizens in our leadership pool vs. our 2005 baseline. A variety of initiatives support this goal, including:
  - External partnerships with organizations such as the National Society of Black Engineers, Society of Hispanic Engineers and Society of Women Engineers to identify and attract diverse talent;
  - Active Employee Diversity Networks to support professional development, and career advancement.
  - Our Women’s network celebrates its 20th anniversary in 2009 and has just added its newest chapter in Dubai;
- Mentoring programs;
- World-class Leadership Development and Executive Education programs.

**Goal #3:** To measure and contribute to creating a workplace characterized by respect and where people value diverse perspectives. This goal is measured by a set of diversity and inclusion-related questions asked on Dow’s Global Employee Opinion and Action Survey (GEOAS).

In the 2008 survey, D&I received the most favorable improvements of all areas tracked. In particular, employee opinions on Dow’s commitment to innovative work/life solutions and flexibility received the largest positive increase of all questions asked in the survey. Initiatives in support of this goal include:

- A comprehensive suite of D&I-oriented training that reaches all levels of the organization and is embedded within our new employee orientation and leadership development programs.
- Specialized workshops to meet emerging needs. Topics covered include: gender communications, the maturing workforce and disability etiquette.
- Efforts to raise cross-cultural awareness and understanding, ranging from lunch-time language classes to access to an on-line Cultural Navigator.

Progress on all three goals is tracked at the corporate level and reported quarterly to the Company’s executive leadership. Accountability for achieving the goals rests with the Presidents of each of Dow’s five geographic regions, thereby ensuring that local needs are fully incorporated and addressed.

The following provides diversity indicators for the overall employee population.

**By gender, globally:**
- Male 73.5%
- Female 26.5%

**By U.S. ethnic minority (data is only gathered for U.S.):**
- Minority 20%
- Non minority 80%

And by age:
- Under 30 15%
- 30 to 50 58%
- older than 50 27%

There are 216 employees in the Global Leader category. Below is a breakdown of the Dow Global Leader population by diversity indicator.

**Global Leaders by gender:**
- Male 87%
- Female 13%

**Global Leader by U.S. ethnic minority:**
- Minority 16%
- Non minority 84%

And by age:
- Under 30 0%
- 30 to 50 51%
- older than 50 49%
The ratio of male to female average base salary in 2008 was 1.17:1. Dow conducts pay equity studies in an effort to verify that the Company is compensating employees fairly.

The results show that no significant differences exist between the pay of similarly situated employee groups that cannot be explained by legitimate business factors. The most significant factor is time in grade.

<table>
<thead>
<tr>
<th>Category</th>
<th>Average Base Salary</th>
<th>Ratio of male to female average base salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>Male $28,300</td>
<td>0.68</td>
</tr>
<tr>
<td></td>
<td>Female $41,600</td>
<td></td>
</tr>
<tr>
<td>Professional level</td>
<td>Male $107,200</td>
<td>1.27</td>
</tr>
<tr>
<td>employees</td>
<td>Female $84,500</td>
<td></td>
</tr>
<tr>
<td>Technical employees</td>
<td>Male $56,200</td>
<td>1.06</td>
</tr>
<tr>
<td></td>
<td>Female $52,900</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Male $38,100</td>
<td>1.62</td>
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<tr>
<td></td>
<td>Female $23,500</td>
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<tr>
<td>Overall</td>
<td>Male $74,600</td>
<td>1.17</td>
</tr>
<tr>
<td></td>
<td>Female $63,900</td>
<td></td>
</tr>
</tbody>
</table>
Dow’s Office of Ethics and Compliance oversees ethics and compliance efforts and serves as a resource to Dow people by providing training, information and guidance regarding issues of legal compliance and ethical conduct.

Dow believes that an effective Ethics and Compliance program requires a company to create an open and transparent environment where employees and stakeholders can feel comfortable raising issues they believe are inconsistent with a company’s Code of Business Conduct – free from the threat of retaliation. Dow’s Code of Business Conduct addresses many of the ethical principles and policies created to deal with issues such as bribery, political contributions, diversity, equal opportunity, respect in the workplace, and environment, health and safety.

The Code includes the following key points, among others:

- Dow recognizes and respects all labor and employment laws — including those respecting freedom of association, privacy and equal employment opportunity — wherever it operates. Dow believes that working positively and directly with employees best serves their interests. Dow also strives to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and Dow’s mission.
- Dow expects employees to avoid any activity, investment, association or interest that might reflect unfavorably upon the integrity or good name of the Company or of themselves. They are obligated to place Dow’s interest in any business transaction ahead of any personal interest or personal gain to either themselves or to their spouse, family member or other individual.
- Dow complies with all child labor laws. Dow understands that children may legitimately perform tasks that do not interfere with their education and do not negatively affect their health, safety and development. Dow seeks to have a positive impact on the reduction of unlawful child labor and child exploitation. Dow expects the suppliers and contractors with whom it does business to embrace similar values and standards.
- It is Dow’s policy to provide all employees with an environment of mutual respect that is free from any form of harassment and discrimination. Harassment and discrimination of any form is not acceptable and will not be tolerated. In some countries, harassment is against the law; in all countries, it is wrong under Dow standards.
- The Dow EthicsLine is a toll-free help line, available 24 hours a day, 7 days a week. In addition, Dow employees can also access the EthicsLine via an on-line reporting option. Either option provides the employee with the option of remaining anonymous. The EthicsLine is available to Dow employees who wish to ask questions about Dow policy, seek guidance on specific situations, report violations of Dow’s Code of Business Conduct or other unethical business practices.

All Dow employees around the globe are expected to adhere to the Code of Business Conduct in the daily performance of their job responsibilities. The Code can be found on Dow’s Web site.

Additionally, Dow’s Human Rights position statement can be found on our Web site.
Dow is also committed to security and safety. Dow’s commitment to the security and safety of its employees, sites, products and communities where we operate has always been deeply embedded in the Company’s culture and business processes.

Without government mandate or regulation, Dow has decisively acted — building upon its strong foundation of safety and security — to permanently heighten its level of security and invest hundreds of millions of dollars in security and manufacturing safety upgrades globally. Dow constantly assesses the risks to its people, facilities, supply chain and information systems, and adjusts security levels to address these risks.

The most senior position with responsibility for Human Rights Aspects is the Chief Sustainability Officer, David E. Kepler II.

**Human Rights Performance Indicators**

**ASPECT: INVESTMENT AND PROCUREMENT PRACTICES**

**HR1 Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening**

During 2008, Dow continued to refine a process for due diligence and implementation phases of mergers, acquisitions and joint venture formations. We completed a pilot assessment project that included human/social impact on a proposed project. This initial learning experience will guide similar assessments in the future and help assure that the potential for human and social rights issues will be readily identified and prudently assessed. The guidance document for EH&S items to be addressed during formation of all future joint ventures requires that ethical and human rights practices and policies be included.

Based on the pilot project during 2008, the percentage of significant investment agreements including human rights clauses is estimated to be less than 5 percent of the significant investment agreements developed in 2008.

**HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken**

Dow seeks quality products and services through mutually beneficial and ethical relationships with suppliers who act responsibly, respect the environment and demonstrate integrity in the marketplace. At this time, no significant suppliers or contractors have undergone human rights screening. Please refer to Supplier Responsibilities for more information.

**HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained**

Dow has taken steps to ensure all employees are aware of and understand the Company’s Values of Integrity and Respect for People and the Company’s commitment to human rights.

In 2008 all employees were required to complete an on-line, Code of Business Conduct training module. The first section of the training module is titled: *Diversity and Respect* and includes references and links to Dow’s Respect and Responsibility Policy, Dow’s Child Labor Policy and Dow’s Code of Business Conduct (which expressly addresses Dow’s Policy on Labor and Human Rights.)

**ASPECT: NON-DISCRIMINATION**

**HR4 Total number of incidents of discrimination and actions taken**

Based on available records, there were no substantiated incidents of illegal discrimination in 2008. Dow defines incidents of discrimination as substantiated findings of a violation of local law and/or Dow’s internal policies, which state: It is Dow’s policy to provide all employees with an environment of mutual respect that is free from any form of harassment and discrimination. Harassment and discrimination of any form is not acceptable and will not be tolerated. In some countries, harassment is against the law; in all countries, it is wrong under Dow standards. Dow’s global Respect & Responsibility policy expressly forbids: “employment related actions that adversely impact an employee, have no legitimate business purpose, and are based on unwarranted individual differences or prejudice, such as sex, gender, race, sexual orientation, gender identity, disability, age, ethnic origin or other inherent personal characteristic protected by law.”
Dow actively encourages reports of potential policy violations through ongoing communications and training, and offers employees several different avenues to do so. They may raise concerns with their leader, Human Resources, or through the Dow EthicsLine. The EthicsLine is a safe, reliable and convenient alternative to reporting ethical concerns in person. It is available globally, with multi-lingual capabilities, 24 hours a day, seven days a week. The EthicsLine is operated by Global Compliance Services (GCS), a professional vendor located in Charlotte, North Carolina, USA, that specializes in providing similar services to global companies. No call tracing or recording devices are ever used, and callers may remain anonymous if they choose. Employees also have the option of reporting to the EthicsLine through the web.

Concerns are promptly reviewed and appropriate actions taken to address violations or other issues in the work environment. In reviewing concerns raised during this period, Dow did take actions to support a productive work environment. Such actions have included:

- Specific training or communications for particular work groups;
- Individual coaching, communications or counselling as required for leaders and employees.

These case-by-case as-needed actions supplement our global initiatives around Diversity and Inclusion which include, but are not limited to:

- Training:
  - Global workshops on D&E, as well as online training regarding our policies. [Note: Both of these are embedded into our New Employee Orientation globally, ensuring all employees are aware of Dow’s expectations as they join the Company.]
  - Inclusive Leadership training for new people leaders.
- Employee Diversity Networks
  - Dow now has approximately 100 chapters of its six Employee Networks operating around the world. These Networks provide support for employees as they pursue personal and professional development, and provide insights to the Company on how to become more inclusive.

**ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

**HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights**

No operations are identified that put collective bargaining at risk. Dow’s position on freedom of association is included in our Code of Business Conduct Labor Policy, which reads:

“Dow believes that respect for the dignity, rights and ambitions of all people is a cornerstone of business excellence in the 21st century. This policy extends to every Dow employee and to all people who work at any of Dow’s facilities around the world. We expect the suppliers and contractors with whom we do business to embrace similar values and standards.

Dow recognizes and respects all labor and employment laws – including those respecting freedom of association, privacy and equal employment opportunity – wherever it operates. Dow believes that working positively and directly with employees best serves their interests. Dow also strives to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company’s mission.”

Under this policy, employees are free to form collective bargaining agreements in all areas of operation. As noted in LA4, there are currently 6,056 employees globally who are covered by collective bargaining agreements.

**ASPECT: CHILD LABOR**

**HR6 Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor**

Dow prohibits unlawful child labor and child exploitation. Dow’s position on child labor is reflected in our Code of Business Conduct and our position statement on child labor, which states:
“Dow complies with all child labor laws. We understand that children may legitimately perform tasks that do not interfere with their education and do not negatively affect their health, safety and development. Dow seeks to have a positive impact on the reduction of unlawful child labor and child exploitation. Dow expects the suppliers and contractors with whom we do business to embrace similar values and standards.”

Dow has identified no significant risks for incidents of child labor, or young workers exposed to hazardous work, either as a function of our type of operations or of the locations where we operate.

**ASPECT: FORCED AND COMPULSORY LABOR**

**HR7 Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor**

Dow’s position on forced or compulsory labor is included in our Labor Policy in our Code of Business Conduct, which states:

“Dow believes that respect for the dignity, rights and ambitions of all people is a cornerstone of business excellence in the 21st century. This policy extends to every Dow employee and to all people who work at any of Dow’s facilities around the world. We expect the suppliers and contractors with whom we do business to embrace similar values and standards.

Dow recognizes and respects all labor and employment laws – including those respecting freedom of association, privacy and equal employment opportunity – wherever it operates. Dow believes that working positively and directly with employees best serves their interests. Dow also strives to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company’s mission.”

We have identified no operations with a significant risk for forced or compulsory labor in either operations or based on geographies with operations that might be more inclined to be at risk.

**ASPECT: SECURITY PRACTICES**

**HR8 Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations**

Security personnel, whether proprietary or contract company employees, fully comply with the Company’s training, policies and procedures concerning human rights. This training is a condition of employment and is conducted on a repetitive basis.

In addition to this baseline training requirement, security personnel are subject to additional functional and situational training in areas relative to human rights. The Company has many secure and anonymous communication methods for reporting human rights violations, and any report of such violations are fully investigated and appropriately addressed.

**ASPECT: INDIGENOUS RIGHTS**

**HR9 Total number of incidents of violations involving rights of indigenous people and actions taken**

No incidents of violations of indigenous people were reported for the reporting period.
Dow believes its role is to drive positive change beyond its corporate scope, into local communities and across the globe. We place a high value on listening to our communities and strive to not just be a good neighbor, but also a positive global corporate citizen.

We understand that our promise is our most vital product, and through authentic relationships we are building better, stronger, more sustainable communities in the places where we do business.

The 2015 Sustainability Goals have led Dow to implement a more progressive model for Community Success. Globally, Dow is taking steps to partner with local communities where Dow holds a strategic presence to better address community quality of life issues. Dow’s Community Success process allows strategic Dow communities to provide qualitative and quantitative input on their quality of life issues and what Dow’s appropriate role is – whether directly addressing community needs or using Dow’s leadership position to influence other organizations.

Dow is focused on helping to solve some of the world’s most pressing problems associated with creating an affordable and adequate food supply, affordable and energy efficient housing, a sustainable water supply, and improved health and safety. This commitment is outlined in the “Breakthroughs to World Challenges” 2015 Sustainability Goal. Dow believes addressing challenges in these areas is not only a moral imperative, but also an opportunity for business growth in developing economies.

Progress on these world challenges can be made only through the collective skills and talents of both the public and private sectors. Dow is a member of the United Nations Global Compact, the world’s largest voluntary corporate citizenship initiative comprised of over 4,000 companies from more than 120 countries, working to achieve advances in the areas of human rights, labor, environment and anti-corruption. As a part of Dow’s Global Compact involvement, the Company is also supporting the UN CEO Water Mandate and Caring for Climate initiatives. The CEO Water Mandate is a private-public initiative with a focus on developing strategies and solutions to contribute positively to the emerging global water crisis. Caring for Climate is a voluntary action platform for those UN Global Compact participants who seek to demonstrate leadership on the issue of climate change.

Another way Dow contributes to society is through The Dow Chemical Company Foundation. The Foundation serves Dow’s philanthropic needs by providing charitable gifts to eligible non-profit organizations that contribute to community success, support sustainability, foster science in society and stimulate innovation. In 2008, Dow and The Dow Chemical Company Foundation contributed more than $38 million to support a wide range of programs around the world.

Dow believes government action is one of the most significant forces impacting companies today. Dow’s future depends on our ability to understand societal trends, stay informed of pending government, trade, NGO and IGO activities and partnering as appropriate to find positive solutions that address the common good.
Dow Government Affairs professionals located around the world offer expertise in essential areas of the public and international policy process, including policy development, process expertise and relationships. They identify legislative issues of importance to Dow and develop strategies to positively affect the outcome for our company. Dow’s Government Affairs professionals build relationships with key government stakeholders, policy influencers, lawmakers, coalitions and trade and business associations who impact Dow’s interests and business concerns.

The Government Affairs team proactively advocates Dow’s position on emerging issues and trends, in accordance with our company’s priorities. The team regularly meets with key government stakeholders and public policy influencers to share our position and shape legislation that helps drive our long term competitiveness that is consistent with our Code of Business Conduct and sustainability efforts.

Dow supports educational initiatives around the world. Through our partnerships with leading educational organizations and the involvement of our employees as volunteers, we are committed to improving students’ understanding of math, science and technology. The Balanced Equation module was developed by The Keystone Center for Education, Keystone, Colorado, in partnership with Dow, with the purpose being to introduce teachers and their students to Dow’s emphasis on global sustainability through the use of chemistry infused with the concept of the Human Element and catalyzed by discovery and knowledge. The module provides a hands-on inquiry-based unit in which high school students can explore this emerging approach to solving sustainability problems.

In all cases, Dow’s interactions with society are guided by our Company’s values of Integrity and Respect for People. Dow’s Code of Business Conduct summarizes many of the ethical principles and policies created to deal with issues such as bribery, competition, political contributions, equal employment opportunity and environment, health and safety. All employees at Dow, no matter where they happen to live, are expected to apply these principles in the daily performance of their job responsibilities.

The most senior position with responsibility for Society Aspects is the Chief Sustainability Officer, David E. Kepler II.

**Society Performance Indicators**

**ASPECT: COMMUNITY**

**SO1 Nature, scope and effectiveness of managing impact on communities**

Dow has multiple feedback mechanisms in place for assessing the impacts of operations on local communities. (These primarily focus on the impact of the Company in locales where facilities are in existence. Other project investment study and community research is involved before initiating a new facility in a new location.)

1. Dow has been an industry leader in establishing and running Community Advisory Panels (CAPs) in the communities where we have operations. The purpose of a CAP is to:
   - Provide a means for open, honest, two-way communication between companies and communities in order to build trust and credibility
   - Enable community members to ask questions or comment upon the Company’s operations and activities
   - Provide a way for Company representatives to learn about community concerns
   - Provide information and get feedback about Company goals and operations

   Dow CAPs, which are located at every major site globally, provide a constant source of feedback about the communities in which Dow operates. Having a highly effective CAP is of great benefit in the development, implementation and evaluation of Community Success Plans.

   Because of Dow’s longevity in the chemical industry, most of our CAPs were formed after initial operations began, following the model set forth by the American Chemistry Council. CAP members are people from a well-rounded cross-section of the community and may include business people, retirees, high school students and homemakers.

2. Dow also uses multiple survey feedback mechanisms. The Quality of Life Survey, a tool developed as part of the 2015 Sustainability Goal, “Contributing to Community Success”, provides a clear picture of community issues, priorities and concerns.
as well as the areas in which local businesses could have impact. The Key Influencer Survey is useful at smaller sites. The Reputation Survey establishes a benchmark measuring the Company’s reputation compared to other communities.

Dow manufacturing sites also conduct a Perception Survey to gauge general impressions of Dow. These are implemented every other year.

Dow’s Community Success goal pulls together the various inputs (surveys, community data and CAP input) to develop plans that form the basis of assessing our impact on the community over time. Eighteen Dow sites globally are actively engaged in the Community Success process.

For example, at Dow’s Michigan Operations manufacturing site in Midland, Michigan, where Dow was founded, survey data and community input pointed to three issues in which the Company had a rightful role to address: economy, safety and security and environment. Dow’s subsequent Community Success strategy for that region now includes an entire realigned effort that includes, programs, sponsorships and foundation giving to meet these needs.

Some additional examples of community impact are seen in these example projects and partnerships:

- Dow India Provides Clean Drinking Water to Villages in Gujarat, India;
- Inaugurates Water Purification Plants in Three Villages in Dahej – Gujarat and Dahej, India
- “Green Classroom” for Boehlen Primary School – Boehlen, Germany
- Relay for Life Team Fights Back for Cancer Research – Freeport, Texas
- Texas Operations Shares Knowledge at “JA in a Day” event – Freeport, Texas
- Dow Raises the Roof – South Charleston, West Virginia
- Seadrifters ride in MS 150 – Houston, Texas
- Strategic Actions Celebrate 40 years of Success in Dow Bahia – Bahia, Brazil
- North America - Dow Supports Communities through Great American Cleanup – Dow sites in Michigan, Texas, Louisiana, & California
- Dow Supports Rayong Students on Children’s Day – Map Ta Phut, Thailand
- Dow Takes Energy and Climate Change Vision to Communities – Texas Operations
- South Charleston Employees Show the Spirit of Giving – St. Charles, Louisiana
- Dow Honor Flight Gives Dow Retiree/WWII Veterans a Day to Remember – Midland, Michigan to Washington D.C.
- Dow in Bahia, Brazil Establishes ECOSMAR Project – Bahia, Brazil
- Terneuzen Launches Student Relationship Program – Terneuzen, Netherlands

When the time comes for Dow to exit a community, the Company uses the same respect and commitment as it demonstrated during normal operations. A recent example is Dow’s Sarnia site in Ontario, Canada. When the site’s closure was announced in 2008, Dow committed $1 million in project support to the community as it adjusted to the loss of Dow’s presence. The contribution involved a multi-agency approach to identify and deliver services at a community center for youth development.

These activities conducted at Dow sites are directly aligned with the company’s 2015 Sustainability Goal of Contributing to Community Success, which states that by 2015, 100 percent of Dow sites where we have a major presence will have achieved their individual community acceptance ratings which measure the community’s favorability with Dow’s contribution to their quality of life.

In addition to the examples above, Dow continues to play a significant and collaborative role working with local municipalities around water infrastructure development. At our second largest facility in Terneuzen, The Netherlands, Dow worked directly with the community to use municipal wastewater for inputs into our manufacturing facilities where we also reuse this water in our processes.

At the other end of the spectrum, we are working through our investment in Water Health International to bring community based water systems to those lacking this infrastructure in India.

Dow is also working very closely with International Aid to bring more bio-sand filters to households where infrastructure is lacking.

Our Dow Water Solutions business is working directly with municipalities around the world to address water challenges. Here is one example in our work with Sydney, Australia.
**ASPECT: CORRUPTION**

**SO2 Percentage and total number of business units analyzed for risks related to corruption**

Risk reviews are an integral part of Dow’s Ethics and Compliance program. Dow’s CEO has appointed key Dow personnel to serve as members of Dow’s 14 Regional Ethics and Compliance Committees (“RECCs”) to address all the geographical areas where Dow conducts business.

Dow’s Office of Ethics and Compliance maintains an on-going dialogue with all 14 RECCs regarding the potential risks in the Regions, including the risk of corruption. In addition, the Office of Ethics and Compliance stresses the importance of an on-going risk analysis in each of the RECCs. In late 2008, Dow began piloting a new risk-review tool to assist the RECCs with their risk-review process. To date, 50 percent of the RECCs have conducted a preliminary risk review utilizing the new tool, with the remainder of the RECCs scheduled to initiate their risk reviews during 2009.

The efforts of the Office of Ethics and Compliance and the RECCs are in addition to the Dow Enterprise Risk Management Process and the ongoing efforts of the Dow Legal Department to counsel the businesses on potential risks.

See the Dow Code of Business Conduct for more information.

**SO3 Percentage of employees trained in organization’s anti-corruption policies and procedures**

Dow requires on-line Foreign Corrupt Practices Act (FCPA) training for a designated audience of Dow employees based upon criteria including:

- Job Level
- Job Responsibilities
- Geographical Location

The on-line FCPA training module is delivered to this audience of employees every three years. The FCPA module is scheduled for delivery again in 2009. Approximately 4,500 Dow employees completed the FCPA on-line training modules during its last scheduled roll out in 2006. An equal or greater number of Dow employees are expected to receive the FCPA training module in 2009.

In addition, Dow’s Office of Ethics and Compliance and Dow’s Legal Department conduct on-going training for employees at all levels of the Company who may encounter the potential for bribery or corruption. By way of example, Dow has developed an “on-boarding” training program for selected new employees that includes a detailed discussion of FCPA and examples of recent FCPA cases.

Further, Dow required approximately 15,700 employees to complete an on-line Questionable Payments Certification in 2008 to better identify the possibility of improper payments or improper entries in the books and records of the Company. This is an annual certification delivered and reviewed by the Office of Ethics and Compliance in conjunction with the Corporate Controller’s Office.

Dow’s Office of Ethics and Compliance periodically provides the RECCs with highlights of major/noteworthy FCPA/anti-bribery enforcements actions as an additional means of education and awareness.

Finally, Dow required all employees to complete the on-line Code of Business Conduct training module in 2008. The Code of Business Conduct training module includes an entire section titled **Financial Integrity and Accurate Company Records**, that is dedicated to Books and Records, Questionable Payments and the FCPA.

**SO4 Actions taken in response to incidents of corruption**

A review of the complaints and completed investigations in 2008 revealed that:

- No Dow employees were terminated for corruption-related behavior in 2008
- No Dow employees were formally disciplined for corruption-related behavior in 2008
- There was one reported incident where a potential service provider was bidding on a Dow project and was subsequently removed from the bid list due to the potential for corruption-related behavior
For the purposes of this Section SO4, Dow is defining “corruption” as any form of bribery involving private parties or government officials.

In February 2007, The Dow Chemical Company consented to a Cease-and-Desist Order in settlement of allegations by the U.S. Securities and Exchange Commission (SEC) that Dow violated the books and records and internal controls provisions of the FCPA. The SEC complaint alleged that DE-Nocil Crop Protection Ltd (“DE-Nocil”), a fifth tier Dow subsidiary, made improper payments to Indian government officials from 1996 through 2001 to expedite the registration of crop protection products. Dow did not admit to or deny the SEC’s allegations, and consented to pay a $325,000 civil penalty. Dow and DE-Nocil disciplined several individuals, including, in 2007, the dismissal of employees found to have been directly involved in the alleged payments.

Dow continues with its internal control practices, training and due diligence to identify potential risk areas and to implement risk-mitigation practices within the Company. Examples of such risk-mitigation practices include, but are not limited to: FCPA and anti-bribery training, acquisition due diligence, internal financial controls, an Ethics and Compliance Program that includes a strong local presence through the Regional Ethics and Compliance Committees (RECCs), and intermediary review processes.

**ASPECT: PUBLIC POLICY**

**SO5 Public policy positions and participation in public policy development and lobbying**

As a leader in science and technology, Dow believes in science and we are proud of the contributions chemistry has made to humanity. As the body of scientific research grows, we are committed to changing, evolving and continuously improving — with the conviction that science and technology can provide solutions. This knowledge, along with our commitment to sustainability, guides us as we responsibly address both the opportunities and challenges in the arena of policy development at local, national, regional and international levels. The following are Dow’s 2008 Public Policy Priorities:

**ALTERNATIVE FEEDSTOCKS**

Feedstocks are the raw materials Dow needs to manufacture a wide array of products that we all use in our everyday lives. More than 96 percent of all manufactured products have some level of chemistry in them — and it all begins with feedstocks. The problem is that these feedstocks happen to be some of the world’s most highly sought-after commodities: oil and natural gas. That’s why Dow is working to develop alternative feedstocks. At Dow, the alternative feedstocks arena is about developing a robust portfolio of solutions that provide sustainable, short-medium-and long-term alternatives to oil and natural gas, while delivering bio-based differentiated products to customers and addressing the climate change challenge.

For more information: Summary of Dow’s Alternative Energy & Feedstocks business

**BIOTECHNOLOGY**

Dow AgroSciences utilizes plant genetics to improve the quality of life by increasing the quality and quantity of products derived from plants — a renewable resource.

Dow AgroSciences has made a commitment to science-based business strategies that will continue to improve our freedom to operate and enhance our position as one of the leaders in this exciting field. Discovery is the engine that drives the commercialization of innovative genetic solutions for new and improved agricultural options for a multitude of food and non-food uses. We know that discovery rarely rewards the unprepared. We recognize and fully appreciate the unique scientific, philosophical and ethical implications of biotechnology. Dow AgroSciences has adopted principles to guide decision-making as we apply biological knowledge and techniques to develop products and services for the benefit of our customers, shareholders and society.

For more information: Dow AgroSciences Commitment to Plant Genetics & Biotechnology

**CHEMICALS AND HEALTH**

Dow supports a consistent, coordinated regulatory environment for products at global, national and regional levels to complement industry voluntary efforts and to ensure a level playing field. Where new or updated regulations are required, they should be based...
on established scientific principles that define safe conditions for use, and impose requirements to assure that use is controlled within predefined safe conditions. Such a system must rely on risk assessment and risk management principles that are predictable, flexible and capable of responsibly addressing society’s economic, environmental and safety requirements.

For more information: Dow’s Policy on Chemical Management

CLIMATE CHANGE
Dow is uniquely positioned to continue to provide innovations that lead to energy alternatives, less carbon intensive raw material sources, and other solutions not yet imagined. In fact, our science and technology has been contributing solutions to the global climate change and energy challenges since 1990. Our science has led to the development of alternative energy sources such as biofuels, photovoltaics and wind. Our products contribute to reduced energy consumption.

For more information: Dow’s Position on Climate Change

ENERGY EFFICIENCY AND CONSERVATION
Dow is uniquely positioned to continue to provide innovations that lead to energy alternatives, less carbon intensive raw material sources and other solutions not yet imagined. Our science and technology has been contributing solutions to the global climate change and energy challenge since 1990.

For more information: Dow’s Commitment to Public Safety & Security
Dow’s Energy Plan for America
Dow’s Energy & Climate Change Vision Document

PUBLIC SAFETY AND SECURITY
Dow will not compromise on our commitment to security and safety, nor will we concede our leadership position setting the standard for all others to follow. This is our business. Our commitment to the security and safety of our sites, products, and communities – where we live and work – has always been deeply embedded in our Company’s culture and our business processes.

For more information: Dow’s Commitment to Public Safety & Security

WATER
Dow is combining its high technology expertise with the creativity of its employees to provide innovative solutions to help supply cleaner and safer water to those in need – breakthroughs like lower cost desalination technologies, more effective ultra filtration systems, materials to improve the sustainability of water infrastructure, sustainable business models for small community water systems, and innovative ways to increase awareness of the issue.

For more information: Dow’s Commitment to Water
The 2007 Blue Planet Run

Dow has and continues to be actively involved in advocacy efforts. The Company and our senior leaders played a key role advocating for the “Water For the Poor” act in the United States.

In addition, Dow continues to be involved on an advocacy front with the CEO Water Mandate, the WBCSD Water Working Group and their engagement in the Water Footprinting Network, and European Water Partnership as well as through the World Economic Forum.

HISTORICAL ISSUES
While collaboration with external stakeholders will continue to help Dow build a sustainable future, Dow also recognizes the need to engage stakeholders in the on-going public debate around historical issues and challenges. These issues and challenges include Agent Orange, Asbestos, Bhopal and Dioxin. Although we are committed to engaging in dialogue with others who are similarly dedicated
to respecting diversity of opinion and constructive exchange of ideas, our ability to engage is oftentimes limited by the existence of pending litigation. To learn more about these issues and challenges, visit Issues and Challenges on dow.com.

**SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country**

Political Action Committees (PACs) provide for United States employee participation in the U.S. election process. In 2008, DowPAC contributed $204,000 to 76 federal candidates; $15,000 to three leadership committees; $17,000 to eight judicial candidates; $15,000 to a national political party, and $90,850 to 113 state and statewide candidates in Georgia, Illinois, Michigan, Ohio, Pennsylvania, Texas and West Virginia. Contributions from DowPAC totaled $341,850.

In 2008, Dow’s corporate political contributions (non-PAC related) totaled $210,680 going to state political candidates, parties and political advocacy organizations where allowed by law.

**ASPECT: ANTI-COMPETITIVE BEHAVIOR**

**SO7 Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes**

See Dow’s Form 10-K for the fiscal year ending December 31, 2008 – Part 1, Item 3 Legal Proceedings; and Part II, Item 8, Note K – Commitments and Contingent Liabilities.

**ASPECT: COMPLIANCE**

**SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations**

Currently Dow systems do not classify whether a fine is related to products, the environment or other focus of law. See note in EN28 for more information.

Other than the alternate pay amounts, the Company does not have non-monetary sanctions to report for 2008, nor is there awareness of a case or cases that should be disclosed as events brought through dispute resolution.

Additional information is also provided in Dow’s Form 10-K for the fiscal year ending December 31, 2008 – Part 1, Item 3 Legal Proceedings; and Part II, Item 8, Note K – Commitments and Contingent Liabilities.
Dow has committed to publicly share our views on the principles that are the foundation for product safety legislation or regulation. Consistent with our commitment to the principles of Responsible Care®, Dow supports the development of responsible, science-based laws, regulations, standards, practices and procedures that safeguard the community, workplace and environment. Dow welcomes appropriate review by governments to maintain and enhance public acceptance of its operations and products.

The most senior position with responsibility for Product Aspects is the Vice President, Sustainability and EH&S, Neil Hawkins.

Performance Indicators – Product Responsibility

ASPECT: CUSTOMER HEALTH AND SAFETY

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures

All significant products are subject to and assessed for improvement opportunities as part of the Dow EH&S management approach described below.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of product concept</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>R &amp; D</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Certification</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Storage distribution and supply</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Use and service</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Disposal, reuse or recycling</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

Dow businesses use the Business Risk Review process to minimize possible adverse impacts on people, property and the environment as a result of Dow’s business activity, including minimizing EH&S impacts associated with new and existing operations, products, applications and services throughout their life cycle.

Businesses are to conduct risk reviews when new information is received, including changes in product uses, regulations, raw materials, etc., or when triggered by the passage of time (e.g., every three years). In the process, and through use of supporting processes and tools, health and safety impacts can be assessed through new product development, manufacture of product, transportation and distribution, use of product at customer facilities, through recycle, reuse or disposal. Risk mitigation measures are identified and implemented as a direct result of the Business Risk Review work process. Various Product Stewardship efforts, such as distributor and customer qualifications and industry advocacy work, are examples of involvement in the storage-distribution-supply and use steps of product life.
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes

This indicator requests the number of non-compliance events identified for products that are ready for use and therefore, subject to regulations concerning health and safety. A review of Dow’s compliance tracking mechanism did not reveal a non-compliance during the 2008 period for a product ready for use, in use or in disposal.

One of the ways in which Dow strives to protect human health and the environment throughout the life cycle of its products is through Responsible Care®. Dow’s commitment to this voluntary initiative has led to the implementation of Dow’s Responsible Care® Management System, which has been certified externally regarding adherence to the principles of Responsible Care®. For more information about health and safety management over the life cycle of products, see guiding principles on the Responsible Care® Web site.

ASPECT: PRODUCT AND SERVICE LABELING

PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements

The following information is provided for all significant products where subject to national laws or the OECD Guidelines.

<table>
<thead>
<tr>
<th></th>
<th>yes</th>
<th>no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sourcing of components</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Content that might produce environmental impact</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Safe use of product</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Disposal of product and impacts</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

Dow’s products must comply with hazard communication program requirements, including appropriate labeling and Material Safety Data Sheet, for all countries in which Dow sells them. The content of the label and safety data sheet is specified in the local laws and regulations, and includes such information as product composition, safe use recommendations and appropriate disposal practices.

In addition, Dow provides direct customer support when additional handling or safety information is requested, including information that supports the use of product in critical applications (food contact, pharmaceuticals, biocidal applications, etc.) and for customs purposes. We provide technical data (physical properties, performance in application) and recommendations for safe handling and storage, and give specific guidance regarding product uses that Dow supports.

Dow is in compliance with the REACH regulations promulgated by the European Union (EU), which will require complete information on the chemical properties, hazard profile and uses of all products manufactured in or imported into the EU. Dow is also implementing activities required for compliance with the Globally Harmonized System for Classification and Labeling.

Dow’s 2015 Sustainability Goal, “Product Safety Leadership” commits the Company to make product safety assessments (PSAs) publicly accessible for all saleable products globally, and to address relevant gaps in information. More than 150 PSAs can be found on our PSA Web site.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

Not reported by the Company at this time. Adjustments in label auditing will be involved to compile this information for reporting. Compliance reporting for PR4 is a long-term goal.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

This information is managed at the business level.
**ASPECT: MARKETING COMMUNICATIONS**

**PR6 Programs for adherence to laws, standards and codes related to marketing communications, including advertising, promotion and sponsorship**

Marketing communications programs and materials are reviewed by Dow Legal and regulatory specialists to ensure that they are compliant with local laws and regulations, as well as Dow’s Ethics and Compliance policies. This includes product marketing information on the website, literature, news releases, trade shows, product packaging, etc.

Dow also has a set of guidelines/policy for Environmental Marketing Claims, introduced in late 2007, which ensures that any claims we make for products are consistent with emerging standards and guidelines around “green” claims. These standard-setting groups and regulatory agencies include ISO 14021, European Commission, US FTC, US EPA, and the International Chamber of Commerce. Dow Legal is also our checkpoint to ensure all marketing communications materials are consistent with Dow’s Environmental Marketing Claim Guidelines. Dow Legal also engages outside legal counsel if additional expertise is needed.

**PR7 Total number of incidents of non-compliance with regulations and codes concerning marketing communications, including advertising, promotion and sponsorship by type of outcomes**

No incidents of non-compliance concerning marketing communications were identified for the reporting period.

**ASPECT: CUSTOMER PRIVACY**

**PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data**

We have internal controls in place to prevent the release of customer information. To the best of our knowledge, there are no customer privacy complaints.

**ASPECT: COMPLIANCE**

**PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services**

Currently Dow systems do not classify whether a fine is related to products, the environment or other focus of law. See note in EN28 for more information.

We are unaware of any significant fines resulting from our products in use in 2008.

Additional information is also provided in Dow’s Form 10-K for the fiscal year ending December 31, 2008 – Part 1, Item 3 Legal Proceedings; and Part II, Item 8, Note K – Commitments and Contingent Liabilities.
CEO Water Mandate
APPENDIX:

Index
Elements of CEO Water Mandate found in GRI Report

For an overview of Dow’s global water initiatives, please see the Interactive Water Map

Overview of Dow’s Participation in the Mandate

4.12 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses

SO5 Public policy positions and participation in public policy development and lobbying

Direct Operations

EN7 Initiatives to reduce indirect energy consumption and reductions achieved
EN8 Total water withdrawal
EN9 Water sources significantly affected
EN10 Percentage and total volume of water recycled and reused
EN21 Water discharge

Supply Chain and Watershed Management

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement

Note: Dow currently does not have specific programs for supply chain water management. Dow collaborates with communities, customers and suppliers to address specific and unique local needs.

Collective Action

4.17 Key topics and concerns raised through stakeholder engagement, and how the organization has responded to those key topics and concerns

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

EN14 Strategies, current actions and future plans for managing impacts on biodiversity

Public Policy

SO5 Public policy positions and participation in public policy development and lobbying
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken

Community Engagement

SO1 Nature, scope and effectiveness of managing impact on communities

Transparency

Index for GRI report in G3 format covering 2008

3.13 Policy regarding external assurance for the report

EN7 Initiatives to reduce indirect energy consumption and reductions achieved

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