

# 2015 SUSTAINABILITY GOALS UPDATE

## 1Q 2010



### Science for a Sustainable World

Dow people are the world's best problem-solvers focusing on the world's biggest challenges. Our commitment to Innovations for Tomorrow, Partners for Change, Smart Solutions for Today and Responsible Operations delivers results that are good for business and good for the world.



"The switch from natural gas to hydrogen results in real cost savings for Dow, while taking us closer to meeting our 2015 Sustainability Goals to address climate change and improve energy efficiency. The patented flare technology is a classic example of how science-based innovation is helping Dow solve some of the world's most pressing problems, while delivering value to our Company and to our communities. This is fundamental to the principles of sustainability."

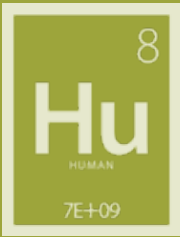
— Juan Luciano, senior vice president, Hydrocarbons & Energy, Basic Plastics, and Joint Ventures

"Dow provides some of the basic building blocks for the chemistry the 3D TRASAR system uses to achieve these water savings at Freeport and other Nalco customer locations around the world. The collaborative efforts used at Freeport were built on our longstanding supplier/customer relationship to provide a leading-edge solution that benefits both companies while contributing to our 2015 Sustainability Goals."

— Gary Hockstra, vice president and Texas Operations site leader

"Dow's strategic relationship with KAUST is driven by a commitment to collaborate with customers, industry, government, NGOs and academia to foster innovation and sustainable development. Dow's joint research framework will engage students with projects and academic programs that will grow the relevance of the Dow R&D Center for the Saudi Arabian economy, while enhancing the problem-solving capacity of the University's top talent pool."

- Neil Hawkins, vice president, Sustainability and EH&S



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## Innovations for Tomorrow

We contribute to the sustainability of society and our planet by developing innovative technologies for current and future markets.

### Dow and Caltech Announce Next-Generation Photovoltaics Research Initiative

Dow and the California Institute of Technology (Caltech) recently announced the signing of a multi-year research collaboration that is strategic to both organizations' interests in solar energy. The arrangement is aimed at aligning Dow's capabilities in CIGS-based materials with Caltech's research in next-generation photovoltaics. Together, they expect to develop new, ultra low-cost, high-efficiency photovoltaic materials.

### Dow Presents "Electric Avenue" at North American International Automotive Show (NAIAS)

This year's NAIAS marked the first time a chemical company has exhibited on the main show floor in the show's more than 100-year history. As the presenting sponsor of "Electric Avenue," a 37,000-square-foot exhibit dedicated to electric vehicle technology, Dow showcased the important role it plays as an energy solutions provider for the next generation of the global automotive industry. Dow's joint venture company, Dow Kokam, showcased groundbreaking lithium polymer battery technology for electric and hybrid vehicles, and announced the addition of a broader array of solutions through its acquisition of Société de Véhicules Électriques.

### DOW™ POWERHOUSE™ Solar Shingle Wins GLOBE Award for Environmental Excellence in Emerging Technology

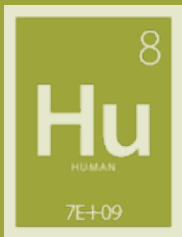
Dow's new POWERHOUSE™ Solar Shingle received a GLOBE Foundation award for "Environmental Excellence in Emerging Technology." The GLOBE Awards are presented annually to extraordinary companies and industry groups who have managed to balance competitive business strategies and sustainable development. [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100324b.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100324b.htm](http://news.dow.com/dow_news/corporate/2010/20100324b.htm)).



Dow also identified Midland, Michigan, as the preferred site for the first full-scale production facility, subject to finalizing local, state and federal funding. The site selection could bring more than 1,200 jobs to the region by 2014. [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100203a.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100203a.htm](http://news.dow.com/dow_news/corporate/2010/20100203a.htm)).

### Dow Providing "24 Karat Water Solutions"™ in India

Dow Water & Process Solutions is applying the same technology that is used in the most sophisticated water treatment facilities in the world and making it practical for small communities, where the raw water quality and simple disinfection methods are not adequate, to produce WHO (World Health Organization) quality potable water. Utilizing Dow Water & Process Solutions' reverse osmosis (RO) technology, the program aims to set up water purification plants to provide access to a clean drinking water supply at a minimum maintenance cost of Rs.2 per 10 liters of water.



## Partners for Change

We are leaders in advancing all aspects of sustainability, openly collaborating with customers, suppliers, communities, civil society and governments.

### U.S. Studies Centre Announces Dow Sustainability Program

In February, The United States Studies Centre at the University of Sydney announced the launch of a three-year research program on sustainability made possible by support from Dow. The Dow Sustainability Program will bring together academic and policy experts from Australia and the U.S. to develop action-oriented solutions to a range of sustainability challenges concerning energy, water, food and biodiversity that are technologically innovative, commercially scalable and politically viable. [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100224a.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100224a.htm](http://news.dow.com/dow_news/corporate/2010/20100224a.htm)).

### Dow Coating Materials Focuses on Sustainability Trends in Coatings at OCCA

Dow Coating Materials (DCM) focused on "Coatings Industry Sustainability – Trends, Challenges and Opportunities" at the 9th Annual Oil & Colour Chemists Association (OCCA) Seminar in Manchester, U.K., on March 1. The presentation by Dr. Houshang Kheradmand, European Technology Awareness and Innovation manager for DCM, co-authored by Dr. Andrew Trapani, European technical director for DCM, focused on identifying sustainability trends and opportunities in the global coatings industry, as well as methodologies for integrating sustainable development criteria across the life cycle of a product. [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100226b.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100226b.htm](http://news.dow.com/dow_news/corporate/2010/20100226b.htm)).

### Dow Testifies on Chemicals Management Reform

In early March, Neil Hawkins, Dow vice president of Sustainability and EH&S, testified before the U.S. Senate Environment and Public Works Committee hearing on "Business Perspectives on Reforming U.S. Chemical Safety Laws." Representing Dow's position on chemicals management reform, Hawkins urged the subcommittee to create a new system that would help re-establish the American public's confidence in the safety of chemicals in commerce. His testimony endorsed the principles rolled out by the American Chemistry Council last August.

### Dow Unveils R&D Vision in Saudi Arabia

Dow unveiled its vision for the Dow Middle East and Africa R&D Center at the King Abdullah University of Science and Technology (KAUST) on March 14 and 15, at the Dow Innovation Summit – the first to be held on campus. The Summit represents a culmination of steps taken to develop the multi-year, multi-million dollar R&D collaboration agreed to by Dow and the university in September 2009. The two-day Summit reinforced the spirit of collaboration and innovation at the heart of the Dow-KAUST partnership.

### Dow's Chief Security Officer Provides Congressional Testimony on Safeguarding America's Chemical Facilities

On March 3, Timothy J. Scott, Dow's chief security officer and corporate director of emergency services and security, on behalf of the American Chemistry Council (ACC), testified before the Senate Committee on Homeland Security and Governmental Affairs, conveying the chemical industry's commitment to safeguarding America's chemical facilities. Scott's testimony was given at a hearing entitled, "Chemical Security: Assessing Progress and Charting a Path Forward." [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100311a.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100311a.htm](http://news.dow.com/dow_news/corporate/2010/20100311a.htm)).

### Dow Korea Supports the Initiatives and Priorities Set by International Council of Chemical Associations

On March 26, Dow Korea supported the Korea Chemical Industry Council (KOCIC) and opened the Global Product Strategy (GPS) workshop at Walkerhill Hotel in Seoul. GPS is one of the initiatives and priorities set by the International Council of Chemical Associations (ICCA). Through these goals, ICCA proves publicly that the chemical industry is a reliable, willing and responsible partner in meeting global sustainability objectives. Hye-Jin Soh also represented Dow with his speech, "Basics of Risk Characterization and the Pizza Pan Case Study."

### Dow Receives the 2009 Value-Based Health Award for Large Employer from The Institute for Health and Productivity Management (IHPM)

On March 30, Dr. Cathy Baase accepted the 2009 Value-Based Health Award for Large Employer on behalf of Dow. This award, given by The Institute for Health and Productivity Management (IHPM), is determined by nomination from experts in the field and reviewed by a panel of experts. IHPM's Value Based-Health Awards recognize demonstrated leadership and innovation in value health management, including health benefit design. The award was presented at IHPM's 10th Annual International Conference.

## Smart Solutions for Today

Our technologies enable our customers, and their customers, to develop more sustainable products and services.

### Dow Delivers Next-Generation Insulation Solution to Meet Growing Energy Efficiency Needs

For more than six decades, Dow's iconic BLUE™ STYROFOAM™ insulation has helped conserve energy and reduce CO<sub>2</sub> emissions in homes and buildings by more than 250 million metric tons. On March 24, at GLOBE 2010, Dow announced it had successfully completed a two-year, multi-million dollar project to transform its line of energy-saving insulation and air-sealing products to more sustainable manufacturing technology in North America, cutting in half the greenhouse gas emissions resulting from production of STYROFOAM™ Brand Insulation at all of its converted production facilities in that region. [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100324a.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100324a.htm](http://news.dow.com/dow_news/corporate/2010/20100324a.htm)).

### New Technology Saves Dow Plant One Billion Gallons of Water, \$4 Million

Dow and Nalco Company announced that their cooperative efforts have resulted in annual water savings of one billion gallons of fresh water at Dow's largest production site – enough water to supply nearly 40,000 people in the U.S. for one year. Dow implemented Nalco's innovative 3D TRASAR® Technology for Cooling Water to treat the 80 process and comfort cooling tower systems for the 5,000-acre Freeport, Texas, site after designating it a Dow MET (Most Effective Technology).

### Dow Building Insulation Products Achieve Cradle to Cradle® Certification

Dow Building Solutions has completed a rigorous, external assessment of its building insulation products conducted by MBDC (McDonough Braungart Design Chemistry, LLC), a global sustainability consulting and product certification firm. Several of Dow's STYROFOAM™ products have all achieved Cradle to Cradle® Certification, a process that assesses products for their ingredients' human health, environmental health and recyclability profiles.

## Responsible Operations

Our infrastructure has a positive impact on our company, our communities and ourselves. Our operations are a model for others, wherever we operate.

### Addressing Climate Change through Hydrogen Flare Technology

Dow's ground-breaking, patented flare technology is achieving dual benefits of delivering cost savings while significantly reducing greenhouse gas (GHG) emissions. The technology uses hydrogen to supplement gas flowing to flares to eliminate waste gases at manufacturing sites. These flares often require "enrichment" with methane to assure that all waste gases are properly eliminated. Enrichment can add considerable costs if the methane is supplied from natural gas because the price of natural gas is both high and volatile. By fueling the flares with hydrogen instead of methane at selected sites, Dow estimates that it will save more than \$10 million during the next 10 years and eliminate 27,000 MT of emissions each year – the equivalent to taking approximately 4,600 cars off the road.<sup>1</sup>



### Dow Technology Center Awards and WRAP Awards

Each year, Dow's Technology Center offers two types of awards – Technology Center Awards that recognize and reward successful improvement and implementation of technology at Dow, and the WRAP (Waste Reduction Always Pays) Awards, which recognize individuals who find innovative ways to save money while reducing waste at Dow. It was clear from the project nominations that cross-functional engagement is key to the success of these projects. This year's results are as follows:

- Tech Center Awards: 57 projects, 455 individual recipients
- WRAP Awards: 77 projects, 389 individual recipients

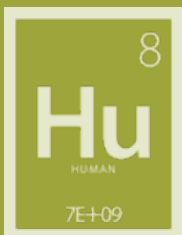
The Tech Center and WRAP award projects are estimated to deliver a net worth of \$2 billion over the next 10 years.

### Dow Praised for Sustainability Reporting by International Investors Group

Dow is among 44 companies recently praised by the investor coalition of the Principles for Responsible Investment, which released a public analysis of companies with respect to the United Nations Global Compact "Communication on Progress" policy. The investors in the coalition are all signatories to the UN-backed Principles for Responsible Investment Initiative, which, among other things, asks investors to seek better and more systemic disclosure from their investment entities.

<sup>1</sup>Source: [www.epa.gov/RDEE/energy-resources/calculator.html](http://www.epa.gov/RDEE/energy-resources/calculator.html)





## 2015 Goal

- Double the percentage of sales to 10% for products that are advantaged by sustainable chemistry

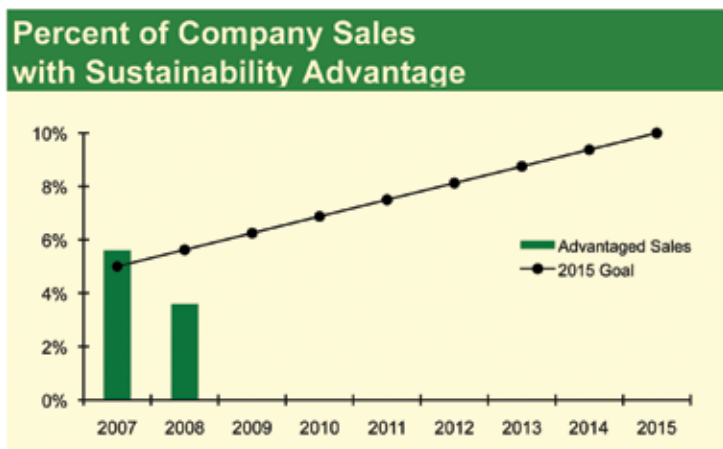
## Goal Updates

### Sustainable Chemistry

Dow continues to deliver breakthrough improvements to our existing products, processes and technologies. Dow's Sustainable Chemistry Index (SCI) will help drive innovation and measure our progress. It will help us use sustainable chemistry to optimize every aspect of sustainability, including environmental, social and economic factors, to deliver smart solutions to our customers.

The SCI forms the basis of the goal target to double to 10 the percentage of sales of products that have sustainable chemistry advantages. Sales that have sustainable chemistry advantages are those focused on:

- Solving environmental challenges like climate change and water availability
- Addressing social needs like affordable housing and improved food production
- Mitigating issues like chemicals of concern, manufacturing/distribution hazards and product end-of-life issues



The SCI was 18.7 in 2007, and dropped to 18.1 in 2008. This decrease in score occurred largely due to a decrease in manufacturing efficiency. In 2008, many of Dow's manufacturing facilities were operated at less efficient, low production rates due to the effects of the global economic crisis. On the U.S. Gulf Coast, hurricanes Ike and Gustav also led to unplanned shutdowns and plant idling. These events reduced the production efficiency of many of Dow's facilities, which is reflected in the lower SCI score for 2008.

We are working to score the many businesses for the 2009 period and plan to report our corporate 2009 result for sales with a sustainable chemistry advantage in our 2Q10 update.

Sustainable chemistry encompasses all facets of sustainability for a chemical company. Two stories of sustainable chemistry in action are below:

### Dow Advanced Materials CEO Says Clean and Sustainable Technologies Poised to Address More than \$20 Billion in Market Opportunities

Clean and sustainable innovations from Dow will address more than \$20 billion of market opportunities, according to Jerome Peribere, president and CEO of the Company's Advanced Materials Division. In March, Peribere spoke to investors at the Jefferies Global Clean Technology Conference in New York City. [Read more about this on Dow.com](http://news.dow.com/dow_news/corporate/2010/20100317a.htm) ([http://news.dow.com/dow\\_news/corporate/2010/20100317a.htm](http://news.dow.com/dow_news/corporate/2010/20100317a.htm)).

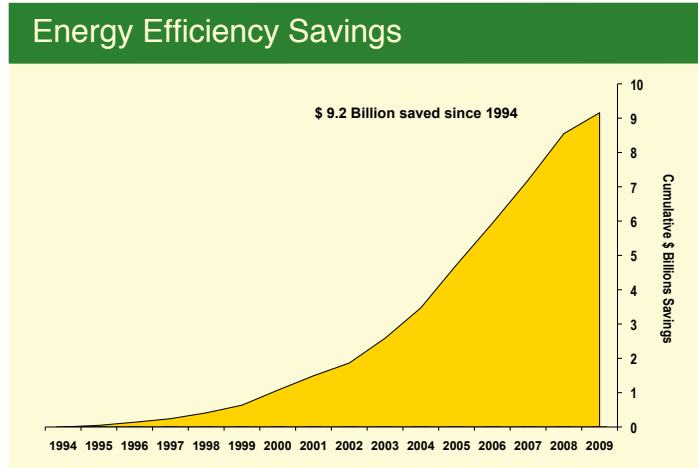
### Basic Chemicals Enables Innovative Recycling

Chlor-Alkali Assets is the major feedstock producer for key Dow materials that use chlorine. In some cases, instead of consuming the elemental chlorine, a manufacturing process will "rent" the chlorine molecule to make materials for use in a variety of product markets — including energy efficiency, alternative energy, life preservation and leisure/lifestyle. Afterward, the chlorine molecule is returned as a raw material for products as diverse as water pipe, vinyl siding, refrigerants and pharmaceuticals. The combined value of Dow's Basic Chemicals recycling engines conserves more than \$200 million per year in raw material costs. In addition, these recycling processes avoid disposal of hundreds of railcars of waste annually.

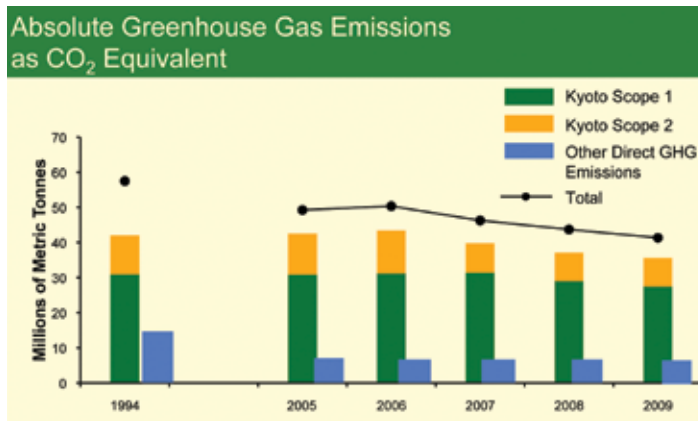
## 2015 Goals

- Reduce our greenhouse gas intensity 2.5% per year
- Reduce our energy intensity 25%

## Addressing Climate Change, Energy Efficiency and Conservation



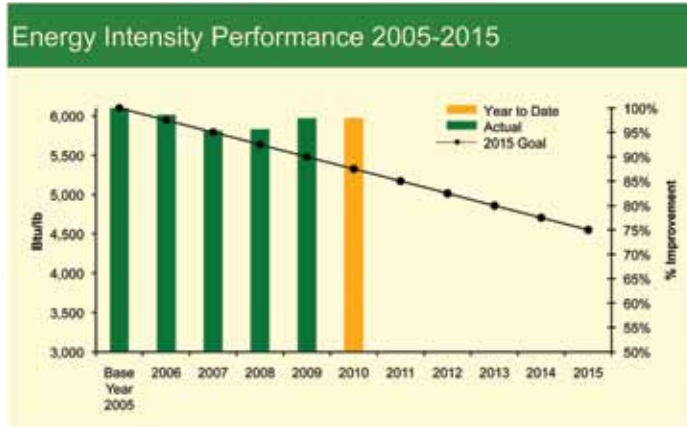
In 2009, Dow's comprehensive efficiency efforts resulted in additional, cumulative energy intensity and bottom line cost savings, despite continued fluctuation in energy prices. Since 1990, Dow has reduced its energy intensity by 38 percent. And, since 1994, the Company has saved over 1,700 trillion Btu of energy, enough to supply the residential electrical needs of the state of California for one year. During that time, Dow reduced its absolute greenhouse gas emissions by 20 percent – well beyond Kyoto targets. This has prevented approximately 90 million metric tons of CO<sub>2</sub> from entering the atmosphere – a clear demonstration of the power of energy efficiency. Through the end of 2009, savings due to improved energy intensity now exceed \$9.2 billion.



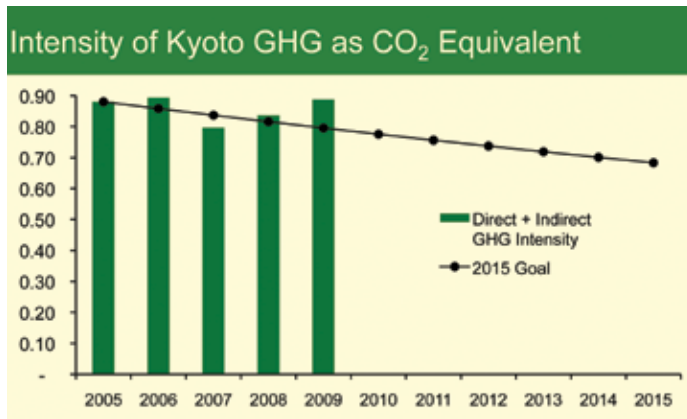
By 2025, we aspire to reduce absolute emissions within the company. The chart above demonstrates that we have begun to do just that – absolute emissions have been reduced in 2007, 2008 and 2009. Dow's absolute GHG emissions in 2009 was 41.3 million metric tonnes. This is a 5 percent reduction compared to 2008.

The greenhouse gas information above includes the emissions of the operations acquired from the Rohm and Haas Company in 2009.

The other direct emissions are primarily related to foaming agents used in the manufacture of insulating materials.



By 2015, we have a goal to achieve a 25 percent reduction in the global Energy Intensity (Btu/lb) of Dow operations. The average Energy Intensity of year 2005, adjusted for mergers and acquisitions, is the basis for calculating performance against this target. Our target for Energy Intensity for the full year of 2010 is 5,380 Btu/lb, or 87.5 percent of the value in 2005. Our actual performance during the first quarter of 2010 was 5,973 Btu/lb, which is 97 percent of the 2005 baseline.



Dow's greenhouse gas (GHG) emissions intensity during 2009 was .89 metric tons per metric ton of production. This is a six percent increase in intensity from 2008. The increase is largely due to the impact of operating at lower rates throughout 2009 compared to prior years. 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.

Kyoto GHG intensity is the sum of CO<sub>2</sub>-equivalent direct and indirect emissions of the Kyoto family of greenhouse gases divided by production. Indirect emissions are the consequence of Dow's consumption of energy, but are emitted from sources controlled by another company. This report is the first time that the GHG intensity metric is being reported based on defining production as the total volume that leaves the site of Company operations.

Every quarter, Dow continues to demonstrate commitment to our climate change, energy efficiency and conservation goals. Below are some proof points of our commitment in action:

#### **Advanced Research Projects Agency – Energy (ARPA-E) Energy Innovations Summit**

As a sponsor of the Department of Energy's ARPA-E Energy Innovation Summit on March 1-3, Dow reinforced its commitment to accelerate the development of energy alternatives by investing in the development of materials, technologies and business strategies that enable new, breakthrough energy solutions. Doug May, vice president of Energy & Climate Change, spoke with the media about innovative energy solutions from Dow, as well as its leadership in industrial energy efficiency.

#### **Dow and Governor Granholm Celebrate Clean Energy Jobs**

On February 25, Michigan Governor Granholm participated in a press conference at Dow's Midland Operations to announce new green jobs for Michigan in the energy sector, including up to 6,900 from Dow. During his speech, Dow's Rich Wells focused on the need for a new energy paradigm to protect economies, energy security and the environment, while also highlighting Dow's own successes at energy management and energy efficient products.



## 2015 Goal

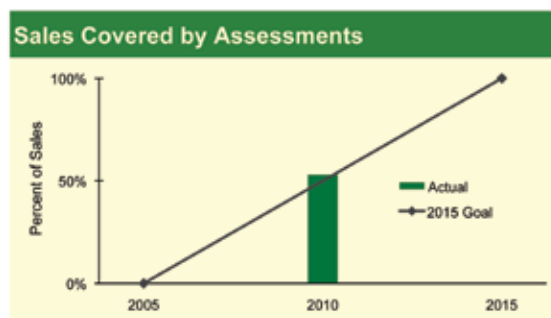
- Publish product safety assessments for all products

“Despite the expense, the business case for effective product stewardship is strong. First, it matches core values of respect for people, integrity and protection of the planet. But it also protects products from being misused.”

– Greg Bond – ICIS  
Chemical Business,  
March 29, 2010

## Product Safety Leadership

At the end of the first quarter there were 252 Product Safety Assessments (PSAs) posted at [www.DowProductSafety.com](http://www.DowProductSafety.com). This is the result of the addition of 21 new PSAs during the first quarter. In the first quarter, Dow passed a new milestone in Product Safety Leadership: Dow's published Product Safety Assessments now cover the products that account for more than 50 percent of Dow's 2009 revenue. Dow's goal for 2010 is to post 110 new PSAs to the website. The 2015 Goal is to have publicly available PSAs for all applicable Dow products.



### Dow's Sustainability and Product Safety Leadership Highlighted in Industry News Articles

Dow's best practices and leadership of product safety of chemicals in commerce, were highlighted in the February issue of *Pesticide and Toxic Chemical News* (PTCN) and the March issue of *ICIS Chemical Business*. The PTCN news item provided readers with an overview of Dow's overall commitment to sustainability and Dow's leadership in helping to advance global chemicals management, including Dow's perspective on policy reform. A central theme is Dow's commitment to transparency in its approach to chemical product safety. Based on interviews with Greg Bond and other industry leaders, the article highlighted key components of Global Product Strategy (GPS) and its role in improving product safety performance and informing the public through safety assessments.

### Dow Supports Advanced Chemical Safety Initiatives

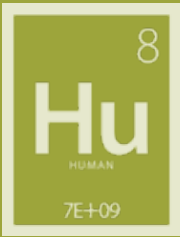
Dow recently joined with [The Hamner Institutes for Health Sciences](http://www.thehamner.org/) (<http://www.thehamner.org/>) to announce its commitment to a chemical safety initiative focused on the development of new computational models of toxicity. The goal of The Hamner Institutes is to protect public health through informed decision-making about potential environmental health risks. In collaboration with Dow and other industry partners, along with the American Chemistry Council, the program will continue its implementation of the vision set forth by the 2007 National Academy of Sciences report, "Toxicity Testing in the 21st Century." This vision sees a future in which toxicity testing will be conducted in human cells or cell lines by evaluating perturbations of cellular responses in a suite of toxicity pathway assays using high-throughput, robotic-assisted methodologies.

### Advancing the Global Product Strategy: Dow Contributes to Six International Capacity Building Workshops

Through its work with the International Council of Chemical Associations (ICCA), the worldwide voice of the chemical industry, Dow shares its best practices in environment, health and safety (EH&S), chemicals management and product stewardship at capacity building workshops across the globe. From late 2009 through March 2010, Dow experts made multiple presentations at workshops in Japan, Slovakia, Croatia, Latvia, South Korea and Russia. Dow's experts played key roles in teaching small- and medium-sized companies how to assess the safety of their products, conduct product stewardship with their customers and develop product safety assessment summaries for sharing with public audiences.

### Dow Scientist Recognized with Industry Leadership Award

Dr. James S. Bus, director of external technology, toxicology and environmental research and consulting, received the prestigious 2010 Founders Award from the Society of Toxicologists for his leadership in fostering the role of toxicological sciences in safety decision-making. An asset to Dow and the chemical manufacturing community, Dr. Bus has distinguished himself as a leader in toxicology research and its application in safety assessments.

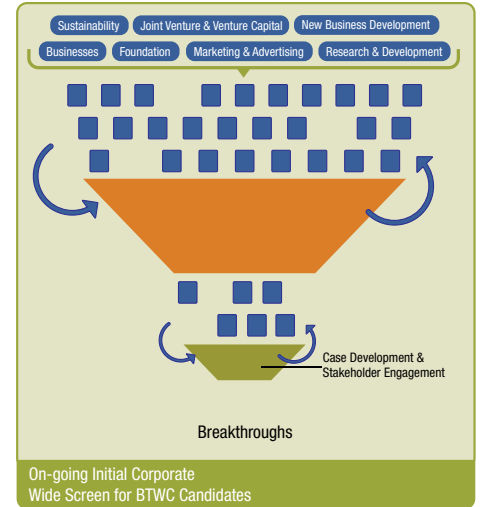


## 2015 Goal

- Achieve at least three breakthroughs that will significantly help solve world challenges

## Breakthroughs to World Challenges

Using our process of looking throughout the company to identify potential candidates, Dow has identified more than 30 projects or products that could qualify as Breakthroughs to World Challenges. The challenges in Dow's 2015 Goal include improving health and safety, providing clean water, enhancing the world's ability to save energy and deal with climate change, bringing adequate housing to those in need and supplying affordable food. The chart at right represents a visual representation of this process. Over the coming quarters, this quarterly report will feature candidate products and projects that have shown the greatest potential to be considered a breakthrough. These candidates have risen to the top for a variety of reasons, but all the projects considered as leading contenders have one thing in common: They all have the potential to be significant. Significance means different things for different challenges. They may have the potential to save huge quantities of energy or greenhouse gases, or improve the health of millions of people. They also have the ability to be applied in many places.



## Healthy Omega-9 Oils from NEXERA™ Canola and Sunflower Seeds

For the last 30 years, the industry standard for restaurant frying oil has been partially hydrogenated, which is high in unhealthy trans fat. Because trans fat increases LDL (bad) cholesterol and decreases HDL (good) cholesterol, it has been shown to increase risk of heart disease and diabetes<sup>1</sup>. In fact, researchers at the Harvard School of Public Health found that eliminating trans fats from the U.S. food supply could prevent up to 1 in 5 heart attacks and related deaths<sup>2</sup>. That is a quarter of a million fewer heart attacks and related deaths each year in the United States alone.

### The Solution

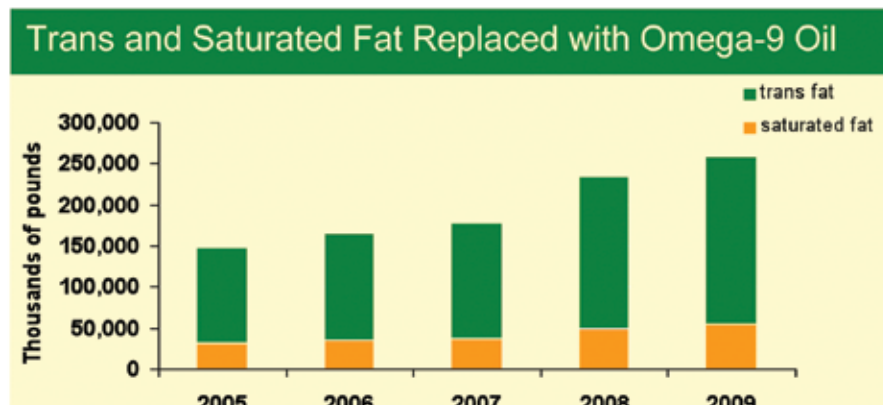
Omega-9 canola and sunflower oils represent the "next-generation" solution that can help deliver healthier foods by eliminating trans fats and reducing saturated fats without compromising taste or performance. Made from Dow AgroSciences NEXERA™ canola and sunflower seeds, Omega-9 oils can reduce the bad (saturated and trans) fat content of fried foods by over 80 percent. These oils are naturally stable, allowing up to 50 percent longer fry life than even the high-performance partially hydrogenated oils they replace, making them cost-effective solutions for food service providers. Additionally, Omega-9 oils are uniquely high in "heart-healthy" monounsaturated fat, which has been shown to reduce the risk of heart disease and diabetes. In fact, new studies have shown that a diet high in monounsaturated fat is more effective in reducing cardiovascular disease than a low-fat diet.

### Results

Due to increased demand from the food industry for Omega-9 oils, capacity for oil production has doubled in the last three years. Dow AgroSciences has forecasted to double capacity again by 2012 to roughly 2.5 billion pounds of oil.

As a result of restaurant conversions since 2005, nearly 800 million pounds of trans fat and 200 million pounds of saturated fat have been eliminated from the North American diet (see chart below). This means almost a billion pounds of "bad" fats have been removed from our diets. When you add other countries where this transition is taking place, the numbers are staggering. This chart shows that, since 2005, Omega-9 oils have removed over 980 million lbs. of trans and saturated fat from the American diet. As impressive as these numbers are, there were roughly 1.6 billion pounds of partially hydrogenated oils sold in North America last year. Partially hydrogenated oils are composed of about 45 percent "bad" fats. This shows we are making great progress, but there is a long way to go.

From innovative trait technology to NEXERA™ canola and sunflower seeds to Omega-9 oils, Dow AgroSciences is taking consumers, health to heart – from seed to shelf.



<sup>1</sup>Mozaffarian D, Pischon T, Hankinson SE, et al. Dietary intake of trans fatty acids and systemic inflammation in women. *American Journal of Clinical Nutrition*. 2004; 79:606-12.

<sup>2</sup>Mozaffarian D, Katan MB, Ascherio A, Stampfer MJ, Willett WC. Trans fatty acids and cardiovascular disease. *N Engl J Med*. 2006 Apr 13;354(15):1601-13.

## 2015 Goal

- Achieve individual community acceptance ratings for 100% of Dow sites where we have a major presence

### Clean Water for Those Who Need It the Most

When we turn on the faucet, water that we trust to be clean comes out. This is not the case in many parts of the world. According to the United Nations, at least 1.8 million children under five years of age die every year from water-related disease, or one every 20 seconds. Clearly there is a need for more clean water. To help solve this global challenge, Dow has invested greatly in Water Health International (WHI), which provides clean, affordable potable water to whole villages. With more than 300 stations in place today, WHI expects to have 600 community-size water purification stations in place serving villages in India by the end of 2010 or early in 2011. These 600 stations will serve more than 5 million people.

### Contributing to Community Success

The Contributing to Community Success Goal has reached another phase in Dow's continued commitment toward making our communities a better place to live. Four years ago, the first of 10 Dow strategic sites conducted external surveys identifying priority quality of life issues followed by the development and implementation of site community success plans. These plans were designed to provide a roadmap for site engagement and community activities in an effort to address the most critical needs of the community. The objective was to be able to set a baseline and measure Dow's future "favorability" ("glad to have Dow in my community") with "community impact" ("Dow plays a positive role in making the community a better place to live").

It is now time to re-measure at selected sites. The results of re-measuring a site will assist us not only in defining progress towards the goal, but will allow strategic sites to make the appropriate modifications needed to adapt to changing community needs. Community needs and the way in which they are addressed are not intended to be prescriptive across each Dow site. Rather, each site must invest in actions that best meet and address quality of life issues distinctive to that community.

Issues of Importance to Dow Communities													
IMPORTANCE OF ISSUES AFFECTING QUALITY OF LIFE  (1 = Not at All Important, 10 = Very Important)	Midland	Pittsburg	Freeport	LA Ops	St. Charles	Terneuzen	Stade	Rhinecenter	Aratu	Zhangjiagang	ALL DOW	USA	GLOBAL
Affordable Housing	3	1	1	6	6	1	1	6	1	2	2.8	3.4	2.2
Economy, Employment, Economic Development	10	9	8	10	10	10	10	8	3	7	8.5	9.4	7.6
Education	10	10	9	10	10	9	9	7	8	7	8.9	9.8	8.0
Environment, Energy, Sustainability	10	10	10	10	10	9	6	8	5	6	8.4	10.0	6.8
Healthcare	3	1	7	9	9	6	1	8	9	5	5.8	5.8	5.8
Leisure, Recreation	3	1	3	5	5	1	1	6	4	2	3.1	3.4	2.8
Public Transportation, Roads	1	1	1	1	1	1	1	6	6	5	2.4	1.0	3.8
Safety, Security (e.g., crime)	10	1	6	1	1	2	6	8	5	2	4.2	3.8	4.6
Utilities, Communications	1	1	1	1	1	2	8	7	10	2	3.4	1.0	5.8
Other	1	1	4	1	1	7	1	6	1	1	2.4	1.6	3.2
AVERAGE SCORE	5.2	3.6	5.0	5.4	5.4	4.8	4.4	7.0	5.2	3.9	5.0	4.9	5.1

These four sites have been selected for re-measure beginning in 2010:

- Pittsburg/Contra Costa, California (USA)
- Southern Brazoria County/Freeport, Texas (USA)
- Midland/Tri-Cities, Michigan (USA)
- Terneuzen (Netherlands)

Baseline measurements will also be made at two heritage Rohm and Haas sites – Marlboro, Massachusetts, and Deer Park, Texas – as part of the integration process and smaller site inclusion effort. It is the intent to develop a process that will include normal work processes, as well as new innovative ways in creating community success programs at Dow small sites.



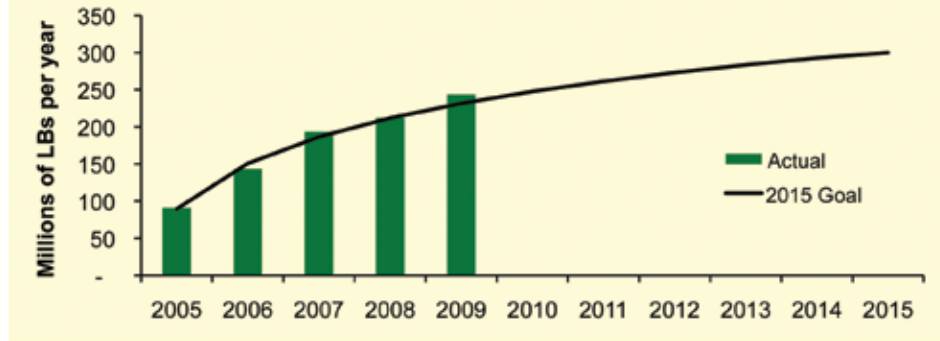
## Local Protection of Human Health and the Environment

In 3Q09, Dow added four new metrics to the Local Protection of Human Health and the Environment Goal. This quarter, Dow is able to provide an update on one of those new metrics: The By-Product Synergy Goal.

### 2015 Goal

- Achieve on average a 75% improvement in key indicators for Environment, Health & Safety operating excellence from 2005 baseline

### By-Product Synergy

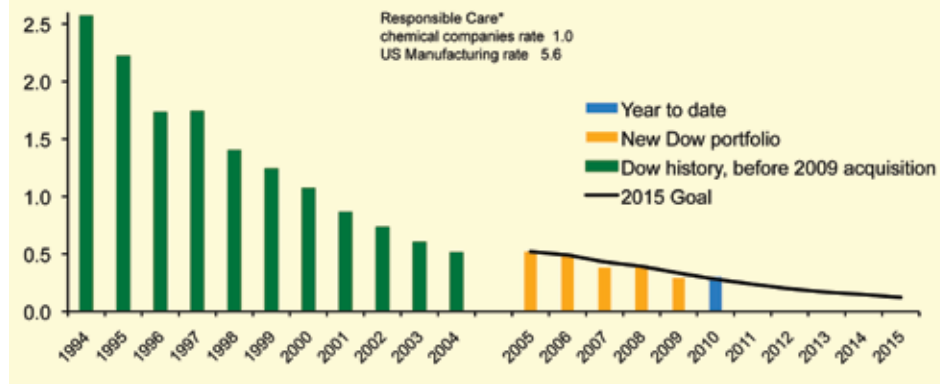


By 2015, Dow is striving to be able to use at least 300 million pounds per year of by-products in more useful ways. This is equivalent to finding a better home for more than 7,000 semi-truckloads of raw materials. By matching the under-valued waste or by-product streams from one facility with potential users at another facility, Dow is able to create new revenues or savings with environmental benefits.

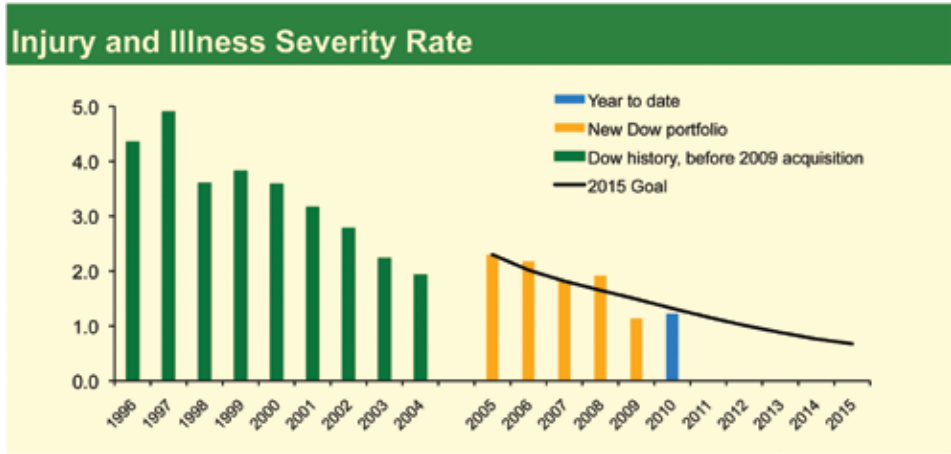
During 2009, the Company was able to accomplish 244 million pounds of by-product synergy. This is an increase in Dow's upgrading waste to higher value of 9 percent compared to the 2008 total. See more detail about by-product synergy at the U.S. Business Council for Sustainable Development website.

For the Local Protection of Human Health and the Environment Goals that follow, the incident experience of the acquired operations of Rohm and Haas are included, where available, beginning in 2005. For the Motor Vehicle Accident goal, the acquired operations are included beginning in 2009, and will continue to be reflected that way in future reporting.

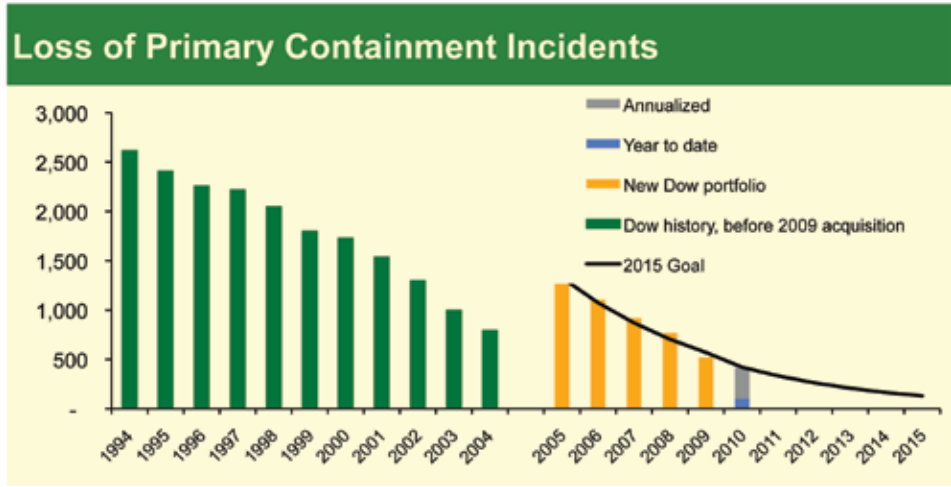
### Injury and Illness Rate



At the end of the first quarter 2010, the Injury and Illness rate was .30 per 200,000 hours of work. This is 3 percent worse when compared to all of 2009, and 7 percent worse than the goal for 2010. The 2015 Goal of .12 per 200,000 hours is a 75 percent improvement from 2005.

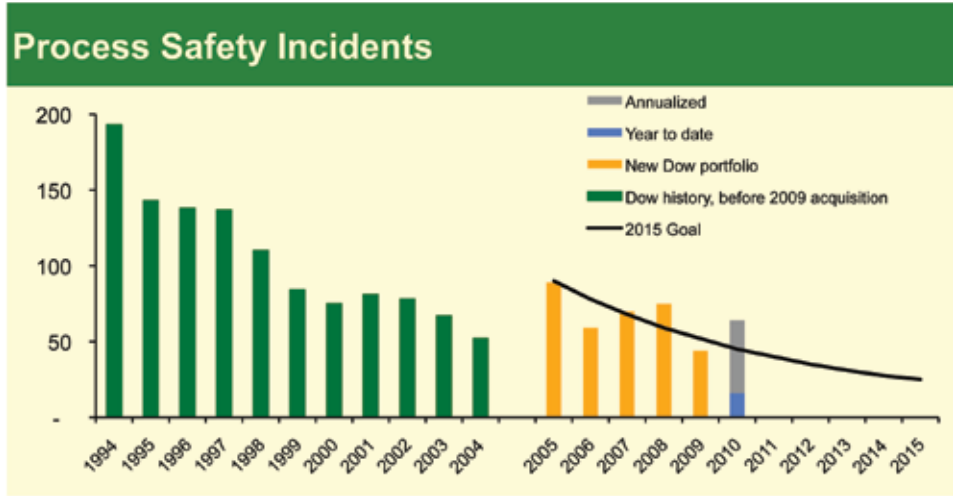


At the end of the first quarter 2010, the Injury and Illness Severity rate was 1.22 per 200,000 hours of work, which is 7 percent worse than our performance for all of 2009 and 8 percent better than the goal for all of 2010. The 2015 Goal of .67 per 200,000 hours is a 70 percent improvement from 2005.

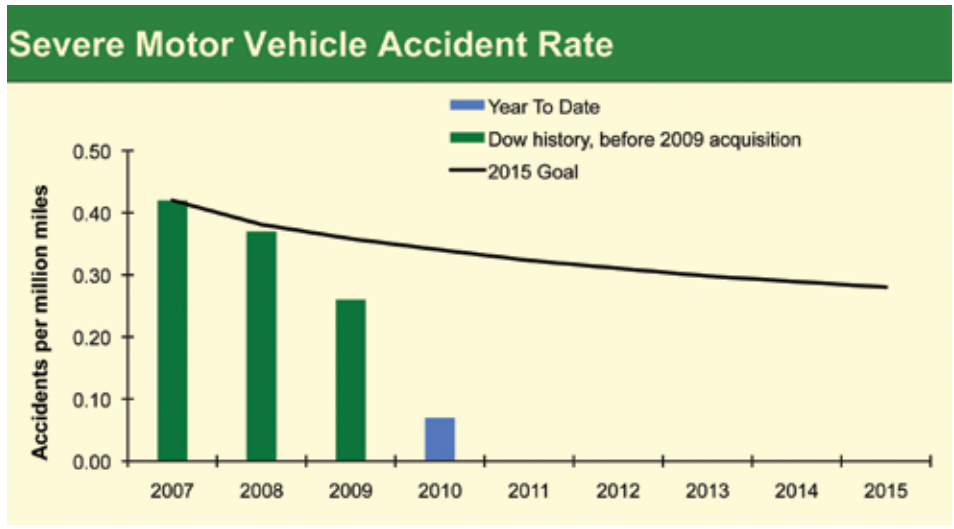


At the end of the first quarter 2010, 104 Loss of Primary Containment incidents have occurred. The 104 events translate into an annual rate that is 1 percent better than the goal for all of 2010. The 2015 Goal of 130 or fewer incidents is a 90 percent reduction from 2005.

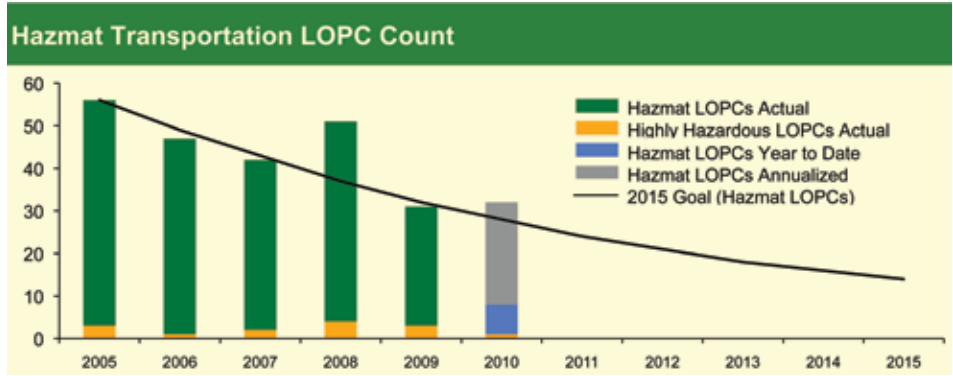




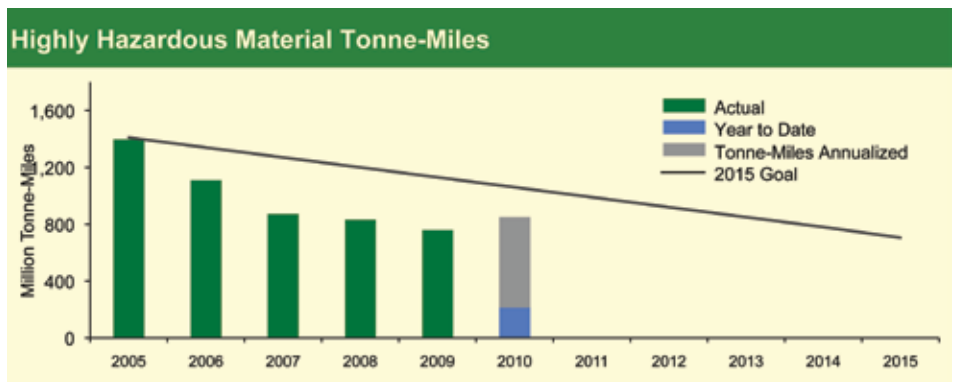
At the end of the first quarter 2010, 16 Process Safety Incidents have occurred. When annualized, this represents a rate of 64 per year, which would be 45 percent higher than the number of incidents in 2009. The 2015 Goal of 25 or fewer incidents is a 72 percent reduction from 2005. The 2015 Goal represents a smoothed line over the period and does not reflect year-to-year targets. Process Safety incidents are now classified and reported in terms of the Center for Chemical Process Safety and American Chemistry Council's new definitions for Process Safety Incidents (PSI).



At the end of the first quarter 2010, the Severe Motor Vehicle Accident (MVA) incident rate was .07 accidents per million miles driven. This is 73 percent lower than the prior year and 79 percent better than the goal for all of 2010. The 2015 Goal is to reduce the Severe MVA rate to no more than .28 accidents per million miles driven. This target represents a 33 percent improvement in performance over the 2007-2015 timeframe.



At the end of the first quarter 2010, Dow experienced 8 Hazmat Transportation Loss of Primary Containment events. The annualized total of 32 is 3 percent higher than all of 2009. There was one Highly Hazardous LOPC event in the first quarter. Dow's 2015 Goal to reduce all Hazmat Transportation incidents to 14 or less is a 75 percent improvement from 2005.



Dow believes it is part of its corporate responsibility to reduce the volumes of Highly Hazardous Materials that need to be transported. As such, Dow has set a 2015 Goal to reduce the number of tonne-miles (a measure of how much we're shipping and how far) by 50 percent from 2005 levels, which was 1,400 million tonne-miles. Dow will accomplish this by looking at ways to redesign the supply chain to reduce or eliminate shipments or the distances they travel. (A tonne-mile is one metric ton of freight moved 1 mile or 1.6 km.) By reducing the number of tonne-miles of these materials, Dow will reduce the chance of in-transit incidents that could impact communities and areas through which its products travel. It is important to recognize that supply chain redesign is a long-term strategic business effort that may not show annual change. Strong progress toward this goal has been made during the last four years.

At the end of the first quarter 2010, there were 213 million tonne-miles of Highly Hazardous Materials shipped via road and rail. The annualized total of 851 is 20 percent lower than the 2010 target of 1,060 million tonne-miles.

Dow remains committed to continuously improving performance and publicly reporting its progress. Visit [Dow.com](http://Dow.com) for the latest Dow sustainability, business and performance news.

