2015 SUSTAINABILITY GOALS

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1Q 2011 Update
Dow Sponsors International Year of Chemistry

Throughout 2011, Dow is participating in a variety of events and engagements to help advance public understanding and appreciation of chemistry through its global sponsorship of the United Nations-designated International Year of Chemistry (IYC). As the first global partner of IYC, Dow helped kick off the Opening Ceremony in Paris in January, at the UNESCO headquarters, and the February U.S. launch event in Philadelphia, at the Chemical Heritage Foundation headquarters, among others.

“The International Year of Chemistry presents a unique opportunity for the chemical industry, academia and other key stakeholders to create a new awareness and understanding of the power of science to solve the world’s most pressing challenges,” said Andrew N. Liveris, Dow’s Chairman and Chief Executive Officer. “No other discipline and industry has more bearing on a sustainable future than chemistry and we look forward to celebrating its successes and future throughout 2011.”

Dow has committed to leverage its science and technology expertise, sustainability focus and global network to support a range of events and activities that promote the role of chemistry in the advancement of human progress, environmental protection and economic development. In addition to speaking engagements and Dow-sponsored exhibits at the launch events, Dow is participating in a series of upcoming IYC-sponsored global events:

- The world’s largest gathering of Nobel laureates in July at the 43rd IUPAC World Chemistry Congress in Puerto Rico
- A year-long project uniting students around the globe to test the water quality where they live and learn about purification and filtration as part of “Water: A Chemical Solution”
- The IYC closing event in December in Brussels, Belgium, at the same location where chemist Marie Curie and other famous scientists met 100 years ago, laying the cornerstone of modern science

The International Year of Chemistry coincides with the 100th anniversary of both the Nobel Prize award to Madame Marie Curie and the founding of the International Association of Chemical Societies. Programming will highlight international partnerships, with the aim of increasing public appreciation of chemistry, encouraging interest in chemistry among young people and generating enthusiasm for the creative future of this science.
Innovations for Tomorrow

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

New Polymeric Flame Retardant Technology

Dow Global Technologies LLC (DGTL) announced the invention and development of a new, high molecular weight brominated Polymeric Flame Retardant (Polymeric FR). The Polymeric FR is expected to be the ‘next generation industry standard’ flame retardant for use in both extruded polystyrene (XPS) and expanded polystyrene (EPS) foam insulation applications globally. The new technology is the result of several years of research and development efforts, including significant investments led by Dow that leverage the company’s polymer, chemistry, and process science and applications know-how and EH&S expertise. Dow has worked with potential licensees to validate the technology and enable them to start scaling up a commercially viable production process. Read more about this on dow.com. (http://www.dow.com/news/corporate/2011/20110329b.htm)

Dow Breakthrough Enables Better Paint with Less TiO2

Dow Coating Materials introduced EVOQUE™ Pre-Composite Polymer Technology – a revolutionary development for paints and coatings that promises to change the way formulators think about hiding and the use of titanium dioxide (TiO2). EVOQUE improves the particle distribution and light scattering efficiency of TiO2, facilitating improvements in hiding efficiency and allowing for up to 20% less TiO2 used in the formulation. Additional benefits include improved barrier properties such as stain and corrosion resistance. The technology may also help formulators reduce the carbon footprint of their end products by reducing the energy footprint that comes from mining, processing and transporting TiO2 to their formulation plants. A life cycle analysis is underway to quantify the full spectrum of sustainability advantages that may result from using EVOQUE™ Pre-Composite Polymer Technology. Dow expects full commercialization during the third quarter of 2011, with rapid expansion of the line in 2012.

Dow Showcases Game-Changing Solutions for High Performance Homes at IBS

In January, Dow’s insulation, air sealing and renewable energy solutions were on display at the International Builders’ Show (IBS) in Orlando, FL. Product demonstrations and presentations focused on whole house systems that address the growing demand for more energy efficient homes that win over homeowners with reduced monthly cost of ownership. Featured solutions included THERMAX™ and STYROFOAM™ Brand rigid foam insulation, spray polyurethane foam products, new GREAT STUFF™ Work Wipes for worksite clean-ups, and DOW™ POWERHOUSE™ solar shingles. Read more about this story on dow.com. (http://dowtoday.intranet.dow.com/absolutenm/templates/?a=6713&z=5)

Dow Presents Water-Energy Nexus White Paper

As part of its recognition of the United Nations World Water Day, Dow Water and Process Solutions presented a white paper entitled Water for Cities and the Water-Energy Nexus. This paper suggests that along with smart governance and policy, innovation plays a major role in ensuring a clean safe and affordable supply of water so cities can in fact triumph. Our society is going through a tectonic shift from largely agrarian and rural living to dense urban living. Some sources claim that more than half of the population in 2011 will be urban. Along with the benefits of urbanization including lower environmental impact come challenges such as how to provide large, dense and growing populations with clean water for an increasingly growing middle-class society with corresponding expectations.

Collaborating on Renewable Route to Acrylic Acid

Dow and OPX Biotechnologies, Inc. (OPXBI0) are collaborating to develop an industrial scale process for the production of bio-based acrylic acid from renewable feedstocks. The two companies signed a joint development agreement to prove the technical and economic viability of an industrial-scale process to produce acrylic acid using a fermentable sugar (such as corn and/or cane sugar) feedstock with equal performance qualities as petroleum-based acrylic acid, creating a direct replacement option for the market. If collaborative research is successful, the companies will discuss commercialization opportunities that could bring bio-based acrylic acid to market in three to five years.
Partners for Change
We are leaders in advancing all aspects of sustainability, openly collaborating with customers, suppliers, communities, civil society and governments.

Dow Provides Support in Response to Japanese Earthquake and Tsunami
Dow announced a donation of up to $6 million in humanitarian aid in response to the earthquake and subsequent tsunami that struck Japan on March 11. Dow will donate $2 million to the City of Soma Community Rescue Fund, up to $3 million to the Soma region in Dow product, technology and financial resources for long-term rebuilding, and established a $1 million employee matching gift program.

Dow to Sponsor Special Olympics World Summer Games ATHENS 2011
Dow has been announced as an Official Supplier of the Special Olympics World Summer Games ATHENS 2011, making Dow the official chemistry company of the Special Olympics. Dow joins the ATHENS 2011 Sponsorship Program. The Summer Games will be held in Athens, June 25 through July 4, 2011, and will draw more than 7,000 Special Olympic Athletes from more than 180 countries, participating in 22 Olympic-type sports. Read more about this on dow.com. (http://www.businesswire.com/news/dow/20110304005100/en)

Dow St. Charles Operations and Audubon Nature Institute to Restore Whooping Crane
Dow’s St. Charles Operations announced a three-year sponsorship of the Audubon Nature Institute’s Whooping Crane Recovery Program, which plans to restore the endangered Whooping Crane to its native Louisiana environment. Based on Audubon’s successful Mississippi Sandhill Crane breeding program, the program will rely on natural breeding and assisted reproductive technologies to restore the native species to the Gulf South region. Currently, the remaining Whooping Crane population is estimated to be fewer than 500 in the world, with about 400 cranes left in the wild. Read more about this on dow.com. (http://www.businesswire.com/news/dow/20110215006720/en)

Dow Participates in Barcelona Sustainable Chemistry Forum
Dow Ibérica sponsored and participated in the 2nd Edition of Sustainable Chemistry – Innovative and Competitive Companies Forum, held at IESE Business School, in Barcelona, Spain, one of the country’s official events of the International Year of Chemistry 2011. Organized by the Spanish Chemistry and Society Forum and the Spanish Platform of Sustainable Chemistry (SUSCHEM ESPAÑA), the two-day seminar explored, through real case studies, how the chemical industry can make use of new solutions to respond to society’s needs.

DOW Launches Innovation and Sustainability Agendas at KAUST
King Abdullah University of Science and Technology (KAUST) and Dow have finalized a comprehensive cooperation agreement that establishes Dow’s Middle East and Africa R&D Center at KAUST on the University’s campus. The agreement represents another milestone for Dow as a Founding Member of the KAUST Industrial Collaboration Program (KICP). The agreement is expected to enhance Dow’s offering of academic and professional opportunities to the KAUST community and Saudi citizens. Read more about this on dow.com. (http://www.dow.com/middleeast/news/releases/2011/20110314a.htm)
Dow Collaborates with GBC on Healthy Women Healthy Economies Initiative

Dow is collaborating with the Global Business Coalition (GBC) and the U.S. State Department, as well as other leading corporations, to launch a two-year strategic initiative called “Healthy Women, Healthy Economies.” The initiative is a unique forum for business that will shape a powerful agenda for corporate investment in women and girls over the next two years, including radically expanded and improved health outcomes. Read more about this on dow.com. (http://www.businesswire.com/news/dow/20110131006615/en)

Alzheimer’s Associations Presents Dow with Mission Mover Award

The Alzheimer’s Association presented Dow with its “Mission Mover” Award for being the first and only company to take the nationally recognized “Know the 10 Signs” awareness campaign globally. In 2010, Dow hosted a global “Know the 10 Signs” webinar, presented by the Alzheimer’s Association. In 2011, Dow will leverage AEDA Champion toolkit resources as part of a yearlong focus on retiree cognitive and emotional health.

Grants from Dow Spark Students’ Environmental Exploration

Two Montgomery County, Pennsylvania schools, Shady Grove Elementary and Wissahickon High School, will use DowGives grants to build their science curricula with hands-on, interactive elements to inspire students through science exploration. These grants are two local examples of Dow’s continued commitment to foster interest among the world’s youth in science, technology, engineering and math (STEM) education. Read more about this on dow.com. (http://www.businesswire.com/news/dow/20110114005329/en)

Dow, Delta College Collaborate to Send Medical Equipment and Supplies to Kenya

Dow is collaborating with Delta College in its effort to ship donated medical equipment and supplies to Kenya. Dow contributed shipping costs and logistical support to help send 20 dialysis machines, 11 wheelchairs, 70 pairs of crutches, 50 walkers and various other medical supplies, along with several pallets of books and computers to hospitals and clinics throughout the country. Dow has been navigating complex international shipping requirements for decades, and by applying that expertise to this project, the Company was able to help bring the contributions gathered through Delta to those in greatest need.

Dow and Mediterrània – More Than a Decade of Cooperation

The relationship between Dow Ibérica and the Mediterrània Centre of Ecological Initiatives began more than a decade ago. Mediterrània and Dow are working together in a range of environmental protection and social awareness-raising areas, including annual workshops for more than 16,000 students that are run by this entity’s Environmental Education Department. Dow has also been working from the outset to support Mediterrània’s international, world famous Premis Ones awards. In 2004, a commemorative book was published to mark the tenth anniversary of the Premis Ones Mediterrània, recounting the birth and development of these awards and the important contribution that companies such as Dow have made to the cause.
Smart Solutions for Today
Our technologies enable our customers, and their customers, to develop more sustainable products and services.

Dow Personal Care Unveils EcoSmooth Conditioning Polymers
Dow Personal Care launched EcoSmooth™ Silk Conditioning Polymers. Unveiled at In-Cosmetics Asia 2010 in Bangkok, Thailand, EcoSmooth™ Silk Conditioning Polymers offer an excellent blend of cost and performance benefits for the formulators toolbox. In a series of comparative performance tests, formulations containing EcoSmooth™ Silk Conditioning Polymers were shown to prevent product build-up on the hair, resulting in no volume-down effects, as compared to silicone-containing shampoos.

Dow Building Solution Products Receive Cradle to Cradle® Recertification
Building insulation products from Dow Building Solutions have achieved recertification by the Cradle to Cradle® Certification program, a well-known, multi-attribute eco-label that assesses a product’s safety and environmental impact. Originally certified and announced at IBS last year after rigorous analysis, STYROFOAM™ Brand Extruded Polystyrene (XPS) Foam Insulation and SAFETOUCH™ Fiberglass-Free Insulation both recertified at the SILVER level, while STYROFOAM SIS™ Brand Structural Insulated Sheathing, THERMAX™ (c) Exterior Insulation, and STYROFOAM™ Brand Spray Polyurethane Foam (SPF) Insulation all achieved BASIC recertification.

Dow Supports Habitat for Humanity’s Neighborhood Revitalization Initiative
Dow is donating insulation and air sealing products in support of Habitat for Humanity’s Neighborhood Revitalization Initiative. Dow is providing select products from its building envelope portfolio, including STYROFOAM™ Brand Extruded Polystyrene (XPS) Foam Insulation, GREAT STUFF™ Window & Door Insulating Foam Sealant, the new GREAT STUFF™ Work Wipes and other products for a Jonesboro, Ga., home construction project of Southern Crescent Habitat for Humanity. Read more about this on dow.com.

Dow Advances Practical Solutions for Addressing Chemical Mixture Toxicity
A key priority in Europe and the U.S. is the development of legislation managing the potential risk posed by “cumulative exposures” to multiple chemicals (mixtures). Regulators currently lack the tools to manage mixtures in a science-based fashion. To address this problem, Dow’s Toxicology and Environmental Research and Consulting (TERC) scientists have been developing pragmatic tools to prioritize mixtures and have been collaborating with colleagues in EMEA Government Affairs to promote acceptance of these tools across industry, regulatory agencies and the scientific community.

Dow Inks Deal with Algae Biofuel Firm
Algae-based oils company Solazyme has signed a letter of intent and a joint development agreement with Dow to provide variants of its algal oils for use in high-temperature transformer equipment. Dow will use Solazyme’s feedstock, as an alternative to fossil-based petroleum, along with the company’s expertise in dielectric insulating oils to create the fluids. The non-binding letter of agreement allows Dow to obtain up to 20m gallons of the algal oil in 2013, rising to three times that amount by 2050.
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.

Dow Terneuzen Creates Biodiversity Action Plan

The Dow Terneuzen site in The Netherlands has created a Biodiversity Action Plan addressing five key areas:

- Reducing negative impacts on species and habitats on and around the site, including reducing emissions and flaring
- Creating and raising the level of awareness on the issue of biodiversity loss in the region
- Acting responsibly with special protected species around the location
- Being involved in development of legislation and working in compliance with requirements
- Creating acceptance for a positive contribution in addressing the local and regional issue of loss of biodiversity

Dow Receives Award in Supply Chain Mastery

Dow received the 2011 Progressive Manufacturing 100 (PM100) award in Supply Chain Mastery for developing and applying advanced Design & Modify Supply Chain (D&MSC) work processes. It's the fifth time in three years Dow has earned a PM100 award sponsored by the publishers of Managing Automation magazine. Dow chartered the D&MSC project to drive and accelerate value across its operations. A few examples of D&MSC success include a North America-Pacific network study to optimize tank usage for multiple products — reducing GHG emissions while enhancing service levels; a global network study to improve freight and duty savings, plant capacity, and sourcing; a tank-sizing study to enhance the efficiency of product storage; and a European warehouse synergy study that — after a major acquisition — led to consolidated shipments and improved freight and warehousing savings.

Dow Chemical Ibérica Scores Exceptional Results in IKEA Social Responsibility Audit

As part of its business practices, inspectors from the Swedish home products company IKEA regularly audit its thousands of suppliers to assess compliance to their IWAY criteria. IWAY is the company’s Code of Conduct specifying environmental, social and working condition for their suppliers. On February 14 and 15, IKEA completed an audit at Dow’s Tarragona Industrial Complex in Spain, with exceptional results. It was the first time a European supplier scored zero non-conformances.

Dow Among the Best Employers in Germany

Dow was awarded one of Germany’s “Best Employers in 2011.” In a nation-wide study, Dow received a Best Employer award from the Great Place to Work Institute in conjunction with Germany’s Federal Ministry for Labor and Social Affairs for its quality and attractiveness as an employer. Listed alongside companies with more than 5,000 employees, Dow ranked third and once again proved its attractiveness as one of the top employers in the industry.

Dow Works with ICCA to Advance Chemical Safety and Product Stewardship in Africa

Dow experts participated in a Responsible Care and product stewardship workshop in Johannesburg in January, in collaboration with the Chemical & Allied Industries’ Association (CAIA), a member of the International Council of Chemical Associations (ICCA), to enhance the safe management of chemicals in South Africa and other countries in the region. This is the latest example of Dow's leadership in promoting the ICCA's Global Product Strategy (GPS), which sets an international, voluntary industry standard for chemicals management to help ensure the risks associated with various chemicals are understood across the value chain. Dow works with other members of the ICCA to help companies — especially small- and medium-sized enterprises and those in developing regions — perform chemical risk assessments, define safe use conditions and, if necessary, implement risk management measures so that safe use conditions are met. ICCA has focused its efforts on developing tools to help both chemical associations and companies implement GPS; one example is ICCA's Guidance on Chemical Risk Assessment (link), developed in 2010 with support from company experts including Dow.
Goal Updates

Sustainable Chemistry

The Sustainable Chemistry Index (SCI) was recalibrated, taking into account the Rohm and Haas integration as well as corrected and updated information from 2009 data reviews more accurately reflecting actual Company performance. Absolute SCI for Company aggregate performance has increased slightly, and the overall trend of a dip in 2008 and increase in 2009 is consistent with the historical performance. For the Sustainable Chemistry Index, aggregate Company performance increased by 1.1 points for 2009 sales from 20.1 in 2008 to 21.2 in 2009, with a 2007 baseline of 20.4. This improvement reflects improved manufacturing efficiency, as asset utilization improved and new product lines entered the Company portfolio from the Rohm and Haas acquisition. The overall sales mix is evolving toward those with better performance, which fits the Company sustainability strategy.

The percentage of sales from products with Highly Advantaged sustainable chemistry performance increased from 1.7% in 2008 to 3.4% in 2009, further reflecting the transformation of the Company. As part of the recalibration, Dow made the requirements for these Highly Advantaged sales more aspirational to further challenge the Company. The target for Highly Advantaged sales remains 10%—a five-fold increase over the recalibrated 2007 baseline, instead of the two-fold increase previously targeted. The 2010 results for the Sustainable Chemistry Index will be reported in the second quarter update.

Addressing Climate Change, Energy Efficiency and Conservation

During 2009 and 2010, we reported intensity metrics using a measure of our production that attempted to reflect total outbound shipments. This approach has turned out to be less reliable than our earlier measure of production, and less reliable as we account for the effects of joint ventures and divestitures. As a result, beginning with this quarter’s report, we are returning to the basis for intensity used prior to 2009 and plan to continue to do so for the remainder of the goal period.

Energy Efficiency Savings

In 2010, 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%. And, since 1994, the Company has saved more than 1,800 trillion Btu of energy, equal to all the residential electricity needs of California for over 20 months. During that time, Dow reduced its absolute greenhouse gas emissions by 20% — well beyond Kyoto targets.

This has prevented approximately 90 million metric tons of CO₂ from entering the atmosphere—a clear demonstration of the power of energy efficiency. Through the end of 2010, savings due to improved energy intensity now exceed $9.4 billion on less than $2 billion investment.
By 2025, Dow aspires to reduce absolute emissions within the Company. The chart shown demonstrates that it has begun to do just that — total absolute emissions have been reduced through the period from 2007 to 2010. Dow’s absolute GHG emissions in 2010 were 38.2 million metric tons. This is 5% less than the GHG emissions in 2009.

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

During the first 10-year goal period, the Energy Intensity (Btu/lb) of global operations was improved by 22%. By 2015, Dow has a goal to achieve an additional 25% improvement. The average Energy Intensity of year 2005, adjusted for mergers and acquisitions, is the basis for calculating performance against this target. Dow’s goal for Energy Intensity for the full year of 2011 is 3,501 Btu/lb, or 85% of the value in 2005. Dow’s actual performance through 1Q 2011 was 3,961 Btu/lb, which is 96% of the 2005 baseline.

Dow’s greenhouse gas (GHG) emissions intensity during 2010 was 0.658 metric tons per metric ton of production. This is about a 5% increase in intensity from 2005. By improving energy efficiency and implementing technology improvements, Dow’s goal is to reduce GHG intensity 2.5% per year from 2005 to 2015.

Kyoto GHG intensity is the sum of CO2-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.
Dow to Invest $100 Million to Reduce Energy Use, GHG Emissions

Dow is accelerating energy efficiency and conservation improvements within its operations through an investment of $100 million in projects that will reduce energy usage and greenhouse gas (GHG) emissions. The $100 million in investment capital will be awarded to Dow business units and manufacturing sites that present projects with the greatest impact in several key performance areas, including reductions in energy use and greenhouse emissions and accelerated cost savings. So far, 72 candidate improvement projects have been submitted from across Dow, with a net present value totaling more than $500 million, more than 8 trillion BTUs of energy savings and a reduction of over 400 thousand metric tons of CO2 emissions.

Twenty-four projects were selected for funding during the first two selection rounds. The estimated cost of these projects is $64 million, with the potential to deliver a 1.23% improvement against Dow’s Energy Intensity Improvement Goal. A third-round project selection session will be held on May 4, as there is $36 million is still available to award to high-return, high-energy-intensity-impact projects. Read more about this on dow.com. (http://www.businesswire.com/news/dow/20110228005348/en)

Product Safety Leadership

At the end of the first quarter 2011, 332 PSAs had been posted at www.dowproductsafety.com. Dow’s published Product Safety Assessments now cover products accounting for approximately 69% of its revenue. While only two additional assessments were posted in the first quarter, Dow is projecting that it will meet the 2011 goal and post more than 100 new PSAs by the end of the year. The 2015 Goal is to have publicly available PSAs for all applicable Dow products.

PSAs are written for the lay public and cover topics such as basic hazards, exposure potential and risk management measures. They complement other safety, handling and stewardship documents, which are part of the product responsibility “package” Dow offers to strengthen relationships with communities and customers. This holistic approach enables Dow customers and the communities in which Dow does business to stay informed about the company’s products and the plants that produce them. Dow is dedicated to providing the public with accurate information and building trust so it is better positioned to develop products, technology and solutions that improve the human condition.

Dow Hosts Chemicals Management Workshop for Key NGO Representatives

Dow hosted representatives from eight different Non-Governmental Organizations (NGOs) in January, for a Chemicals Management workshop. Representatives from organizations like Environmental Defense and National Resource Defense Council are all actively engaged in the consortia, Safer Chemicals Healthy Families, whose focus is to gain legislative support for chemicals management regulation reform in the United States. The objective was to increase understanding of Dow’s chemical management program and to provide an opportunity for feedback on how it could strengthen its program.

Breakthroughs to World Challenges

The graphic on the right offers a visual representation of the ongoing process of searching for opportunities to help make the world a better place now and in the future. Dow challenged itself at the initiation of this goal to deliver three breakthroughs by 2015. One place business interest and world need aligned was addressing water challenges. In 2010, Dow sponsored the Live Earth Run for Water. This philanthropic effort created new levels of attention within the Company, and resulted in over 200 community events around the world. This event helped participants and observers remember that one out of six people in the world today doesn’t have access to adequate drinking water. While sponsorships begin with a charitable interest and available funds, Dow is striving to use science and technology, not just funding, to find breakthroughs that make the world a better place to live.
Dow is committed to developing innovative technologies and creative sustainability solutions to help solve the global water crisis, preserve and restore the world’s water supply, and ensure access to clean water for millions. For more information, visit www.dow.com/sustainability.

In some places around the world, water supply is difficult to purify for use in homes. As the Dow Water and Process Solutions (DW&PS) business continues to improve Reverse Osmosis (RO) filtration technology, the energy requirements are being driven down. Dow RO technology is deployed in the largest desalination plant in the world, as well as in individual homes that are sourced from wells with water quality issues.

Technology improvements to reduce the energy requirements of RO filtration have been ongoing for decades. Compared to 1990, energy requirements have been cut in half, and Dow continues to find ways to improve efficiency. From 2010 to 2015, the business is striving to make another 35% reduction in the energy required for RO filtration, resulting in it becoming an increasingly affordable solution. The combination of improved efficiency and the increasing demand that population growth puts on water supplies, leads to a projection that Dow RO-based capacity will be serving the needs of more than 53 million people by 2015.

Other DW&PS products address water treatment needs in unique ways. Some treat large quantities of water, while others provide a special function to address day-to-day needs. The technology may touch in-home water systems, filtration supplied by local municipalities, or products purchased by consumers. Together, the products around the world today generate more than 15 million gallons of treated water per minute – 15 million gallons every minute of every day. This is the equivalent of processing enough water to fill 21 Olympic pools every minute, or about half the flow over Niagara Falls. Another perspective is to equate the quantity of water processed in a day as enough to supply the total water needs of the U.S. population for a year.

Dow water treatment technologies continually treat a volume of water equal to half the average flow of Niagara Falls.
Contributing to Community Success

In Q4 2010, two (Pittsburg, California, and Terneuzen, Netherlands) of Dow’s 10 strategic sites were re-measured resulting in positive progress towards the 2015 Contributing to Community Success Goal. As the Company moves into 2011, similar queries will be made to measure against the baseline of the remaining eight sites in an effort to establish successes, as well as areas that need improving as Dow continues addressing the needs identified by the communities.

Midland, Michigan, will be the first re-measure of 2011. In 2008, Michigan Operations data revealed a baseline of 84% that gave a positive impression based on being “at least a little familiar” with Dow. The additional favorability score Dow looks for is based on the respondent’s knowledge that “Dow plays a positive role in making the community a better place to live.” This baseline score was 62%. In an effort to improve, Dow’s Michigan Operations has been implementing its Community Success Plan since 2008, focusing on quality of life issues (Environment, Economy, Education, Safety & Security) on which the community felt Dow could have a positive impact and are considered “rightful roles.”

Midland Operations has been very successful in concentrating on “breakthrough” efforts that create the greatest impact. An example of these breakthrough efforts is demonstrated by Dow’s stronger-than-ever employee engagement. The Company recognizes the great value employees offer to help strengthen relationships within its communities, and more importantly, Dow knows that employees want these opportunities to exist. This was proven during the first Dow-Habitat Neighborhood Revitalization Project, where an unprecedented 700 Dow employees volunteered for one week and renovated more than 40 Covenant Neighborhood homes in Saginaw.

Another example is the recent launch of a comprehensive initiative called DowGIVES, a program for Dow North America that brings all giving under one program. It is designed to: encourage more volunteer commitment to worthy organizations, better enable employees to act as Dow ambassadors and contribute to the success of their communities, provide for benchmarking and idea-sharing among Dow sites, and track and manage volunteer hours using the VolunteerMatch website.

DowGIVES is also designed to target those critical quality of life issues that its communities identified. This plays a key role in demonstrating continued commitment towards community success, while at the same time, strengthening employee engagement resulting in positive progress towards the goal.

Dow will focus on three additional sites in 2011—the Rhine Center and Stade in Germany, and Freeport, Texas. All sites are preparing for re-measures in Q3 and Q4.

Local Protection of Human Health and the Environment

During the first 10-year goal period, Dow reduced the rate of injury and illnesses per 200,000 hours of work time by more than 80%. During the 2005 to 2015 timeframe, the goal is to achieve a similar reduction in the rate at which people are hurt. Dow workers are now 20 times less likely to experience injury or illness than the U.S. manufacturing rate reported for 2008.

At the end of Q1 2011, the Injury and Illness rate was 0.28 per 200,000 hours of work. This represents a 13% improvement in performance compared to 2010. The 2015 Goal of 0.12 per 200,000 hours is a 75% improvement from 2005.
At the end of Q1 2011, the Injury and Illness Severity rate was 1.22 per 200,000 hours of work. This represents an 11% improvement in performance compared to 2010. The 2015 Goal of 0.67 per 200,000 hours is a 70% improvement from 2005.

As of the end of Q1 2011, 79 Loss of Primary Containment incidents have occurred, tracking better than 2010 performance, which was our best year ever in this area. The 2015 Goal of 130 or fewer incidents is a 90% reduction from 2005.

As of the end of Q1 2011, three Process Safety Incidents have occurred. This translates into an annual rate of 12 events, which is significantly below Dow’s 2011 goal of 30 incidents. The severity of the incidents to date are also significantly less than 2010 severity. The 2015 Goal of 25 or fewer incidents is a 72% reduction from 2005. The trend line labeled “2015 goal” represents a smoothed line over the period and does not reflect year-to-year targets. Process Safety incidents are classified in terms of the new Center for Chemical Processing Safety and American Chemistry Council Process Safety Incident (PSI) definitions.
At the end of Q1 2011, the Severe MVA incident rate was 0.27 accidents per million miles driven. This represents a rate that is 23% higher than Dow’s rate in 2010, although tracking better than the 2011 trend line. The 2015 Goal is to reduce the Severe Motor Vehicle Accident rate to no more than 0.28 accidents per million miles driven, which represents a 33% improvement in performance over the 2007–2015 timeframe. Severe MVA was not measured in the heritage Rohm and Haas Company. The 2007–2009 values represent the heritage Dow population.

At the end of Q1 2011, Dow had experienced four Hazmat Transportation Loss of Primary Containment events. There were no highly hazardous transport LOPC events in the quarter. When annualized, the 2011 performance would be 16 events, much better than the targeted improvement for 2011. Dow’s 2015 Goal is to reduce all Hazmat Transportation incidents to 14 or less per year, which is a 75% improvement from 2005.
Dow believes it is part of our corporate responsibility to reduce the volumes of Highly Hazardous Materials that need to be transported. As such, it 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% from 2005 levels, which was 1,400 million tonne-miles. Dow will accomplish this by looking at ways to redesign its 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.)

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 over the last five years.

At the end of Q1 2011, there were 240 million tonne-miles of Highly Hazardous Materials shipped via road and rail. When annualized, this is 3% below the target for 2011.

Dow is striving by 2015 to be able to use at least 300 million pounds of by-products in more useful ways. This is equivalent to finding a better home for over 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.

Having experienced good progress in the by-product synergy goal in 2010, Dow has now accomplished a total of 285 million pounds. Dow anticipates that this goal will be exceeded before 2015.
Science for a Sustainable World

We only have one planet, with limited resources. So everything we do and how we do it matters.

Dow is committed to minimizing our own footprint and to delivering solutions that help our customers and the rest of society do the same. The world needs solutions for big challenges like energy, climate change, water, food, housing and health. And Dow has some of the world’s best scientists and engineers dedicated to solving world challenges through innovation. When we do that, it’s not just good for the planet, it’s good for business.

Dow remains committed to continuously improving its performance and publicly reporting its progress. Please visit www.dow.com for the latest Dow sustainability, business and performance news.