2015 SUSTAINABILITY GOALS

2Q 2011 Update

New Joint Venture to Make Plastics from Sugar Cane

Innovations for Tomorrow

Partners for Change

Smart Solutions for Today

Responsible Operations

Goal Updates
New Joint Venture to Make Plastics from Sugar Cane

Dow and Mitsui & Co., Ltd., of Tokyo, Japan, have announced the formation of a new joint venture aimed at providing innovative and sustainable product solutions to the global high-performance flexible packaging, hygiene and medical markets. This represents the world’s largest biopolymers play and is Dow’s largest investment in Brazil, a country in which Dow has operated successfully for more than 50 years.

“This landmark move underscores Dow’s commitment to invest for growth in high-value, innovation-rich sectors through strategic partnerships,” said Andrew N. Liveris, Dow’s Chairman and Chief Executive Officer. “It also combines the strengths of two global companies, creating the unique combination of world-leading technology and renewable feedstocks to meet needs in an important, rapidly growing region of the world. This is right on strategy for Dow and supports our 2015 Sustainability Goals.”

Under the terms of the agreement, Mitsui would become a 50% equity interest partner in Dow’s sugar cane growing operation in Santa Vitória, Minas Gerais, Brazil. The initial scope of the joint venture includes production of sugar cane-derived ethanol for use as a renewable feedstock source, bringing new, biomass-based feedstocks to Dow while diversifying the Company’s raw material streams from traditional fossil fuels. When complete, Dow and Mitsui will have the world’s largest integrated facility for the production of biopolymers made from renewable, sugar-cane derived ethanol. The project aligns with Dow’s goal of developing low carbon solutions to meet the world’s pressing energy and climate change challenges.

Once fully operational, this platform will be back-integrated into renewable sugar cane, enabling environmentally sustainable production of high performance plastics with a reduced carbon footprint. Biopolymers produced at this facility will be a drop-in replacement for the high-performance flexible packaging, hygiene and medical markets, offering customers the same performance attributes with a more sustainable environmental profile.

The first phase of the project includes the construction of a new sugarcane-to-ethanol production facility in Santa Vitoria, expected to begin in 2011.
Innovations for Tomorrow

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

Haier and Dow Launch “Magic-Pellets Washing” Technology

Dow and Haier announced the introduction of “Magic-Pellets Washing” (MPW). The new MPW technology enables a significant reduction in water and detergent consumption, greatly contributing to environmental protection and energy conservation. The pellets are self-cleaning and reusable, making them a great technology to revolutionize the global laundry industry. Read more about this on Dow.com. (http://www.dow.com/news/corporate/2011/20110628a.htm)

Next Generation Cool Roofs

The U.S. Department of Energy (DOE) will fund key lab research as part of a Cooperative Research and Development Agreement between Dow Construction Chemicals and DOE’s Oak Ridge National Laboratory (ORNL) to accelerate the adoption of cool roof technologies in the United States. As a critical element of the research agreement, ORNL will partner with DOE’s Lawrence Berkeley National Laboratory to bring a broad range of cool roof technology and experience from their applied research in this field. The research will focus on developing new solar reflective technologies that could increase by over 50% the energy savings that cool roofs offer for new and existing commercial buildings. Read more about this on Dow.com. (http://www.businesswire.com/news/dow/20110415005693/en)

Solar Shingle Facility Construction Under Way

Construction of Dow’s new manufacturing facility for production of the DOW POWERHOUSE™ Solar Shingle is underway at the Company’s Michigan Operations site in Midland. The new, large-scale manufacturing facility is expected to begin production of the DOW POWERHOUSE™ Solar Shingle in late 2012. It represents the first increment in a production ramp-up to 220 MW of annual solar shingle capacity by 2015, and is also expected to create 1,275 direct jobs in the same timeframe. Until the new facility is operational, quantities of the POWERHOUSE™ Solar Shingles will be manufactured at the existing pilot plant in Midland. These quantities will be used to support the product commercialization launch, currently scheduled for 4Q 2011 in targeted U.S. markets. Read more about this on Dow.com. (http://www.dow.com/news/corporate/2011/20110601a.htm)

Dow Agrosciences Announces the First Saturated Fat Free Oil Product

Dow AgroSciences achieved an industry first with the unveiling of saturated fat free Omega-9 Sunflower Oil at the Institute of Food Technologists Annual Meeting and Food Expo in New Orleans. For food manufacturers seeking solutions to meet increasing customer demand for healthier products, Omega-9 Sunflower Oil is one of the healthiest oils available. The oil also has zero trans fats and is uniquely high in heart-healthy monounsaturated fats. With Omega-9 Sunflower Oil, food companies may significantly reduce or eliminate saturated fat from new front-of-pack labels, which will begin to appear on retail shelves within the next two years. Read more about this on Dow.com. (http://www.dow.com/news/corporate/2011/20110613a.htm)

Dow AgroSciences, Oregon State University Enter Agreement for Tree Research

Dow AgroSciences and Oregon State University will apply EXZACT™ Precision Technology to accelerate and enhance research into tree improvement, a critical area for the lumber industry. Dow AgroSciences’ EXZACT™ Precision Technology provides a versatile and comprehensive toolkit for targeted genome modification. Dow AgroSciences is providing its technology as well as access to intellectual property, validated, high-quality zinc-finger reagents, and scientific expertise. Read more about this on Dow.com. (http://www.dow.com/news/business/2011/20110502a.htm)
Partners for Change

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

"The Future of Water" Conference Provides Perspective and Defines Challenges

Dow convened thought leaders who are actively working on global water issues for a virtual conference. Participants shared insight into how chemistry, along with other fields, sectors, and stakeholders, can meet the challenge of supplying the world with clean and sustainable water. Comprised of 60 influential water industry practitioners, non-profit leaders, media, professors and authors from all over the world, "The Future of Water" 60-minute conference provided a platform for experts to offer various perspectives and insights on global water supply and management, global scarcity, aging infrastructure, the water-energy nexus and the human dynamics behind meeting the global water challenge. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110524006625/en](http://www.businesswire.com/news/dow/20110524006625/en))

Great American Cleanup

Dow communities throughout the U.S. are shining a little brighter after three months of concentrated beautification efforts from employees as part of the Great American Cleanup. This was the fourth consecutive year that Dow served as a national sponsor of the event, a signature program of Keep America Beautiful (KAB). KAB is the nation’s largest annual community improvement program that mobilizes millions of volunteers to contribute to cleaner, greener communities. Dow employees participated in 50 different events during the national campaign, which ran from March through the end of May. Programs included cleanups, park restorations and even graffiti paint-outs.

Habitat for Humanity Commitment Extended

Dow announced it will continue to support the mission of Habitat for Humanity to provide safe, affordable housing in partnership with families around the globe. As part of its commitment, Dow has pledged nearly $1.5 million to help fund 18 Habitat builds and other key projects around the world in 2011. Additionally, Dow anticipates gift-in-kind contributions of Dow Building Solutions insulation products in excess of $2.5 million during 2011, which represents the second half of a two-year product commitment made by Dow in 2010. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110518005126/en](http://www.businesswire.com/news/dow/20110518005126/en))
Protecting the Planet is a Dow Core Value on Earth Day, and Every Day

On Earth Day, Dow joined more than one billion people across the globe in elevating awareness of the importance of protecting our planet on the 41st Annual Earth Day. From educational sessions and community events, to collaborating with city governments for street clean-ups, planting trees and restoring trails, and promoting waste recycling and reuse, 4,300 Dow employees engaged in a variety of Earth Day activities around the world. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110419005491/en](http://www.businesswire.com/news/dow/20110419005491/en))

Sustainability and Innovation Forum in Brazil

Dow and Grupo Pão de Açúcar invited 18 private label suppliers to the First Sustainability and Innovation Forum. The main objective of the forum was to identify new sustainable and innovative product propositions. Dow led the breakout discussions, and at the end the 138 attendees identified 14 projects for consideration.

Dow Philippines Adopts Rare Eagle for Next Five Years

Dow signed a Memorandum of Agreement in March to sponsor a rare Philippine Eagle for the next five years in collaboration with The Philippine Eagle Foundation at Davao. This national symbol of the Philippines is one of the largest eagles in the world, but due to habitat loss and poaching, is also one of the rarest. The invitation to adopt an eagle was extended to Dow by a key customer – Pacific Paint, a long time sponsor of the Philippine Eagle Foundation. The young female eagle adopted by Dow was hatched in 2002, and for the five-year period of the sponsorship, Dow has given it the nickname “Sambisig,” which means “One Vision”.

Dow Sponsors Executive Conference on Sustainability Leadership

Dow recently sponsored an executive conference at the University of California, Berkeley, on Sustainability Leadership. Dow worked with the Haas school of Business and College of Chemistry to put together the conference. Approximately 20 Dow employees from a wide spectrum of businesses and functions each brought a customer or supplier, and several joint venture partners also attended. In addition to the U.S., participants came from the Middle East, Brazil, Europe, China and Thailand.

Sustainability in Kuwait

Dow recently participated in a sustainability forum called, Sense and Sustainability, a platform for leading public and private organizations, universities, and community members to join hands to encourage responsible business behaviors and provide opportunities to make a difference in the community. As the title sponsor, Dow played a key role in defining the forum’s objectives. The forum discussion revolved around the numerous benefits of integrated collaboration when it comes to sustainability including monetary benefits, reputation building, and public/private synergies as a way to promote environmental stewardship in Kuwait.

Continued Support for Japanese Earthquake and Tsunami

In addition to the $6 million in humanitarian aid reported last quarter, Dow is continuing its support for the victims of the earthquake and tsunami that struck Japan on March 11. Dow Japan has since focused its efforts on the children who lost their homes and/or parent(s) during the disaster by providing daily items and toys, and setting up a local voluntary fund. The money collected from this fund was donated to help the educational expenses of the earthquake orphans in Soma.
Smart Solutions for Today
Our technologies enable our customers, and their customers, to develop more sustainable products and services.

Dow AgroSciences Removes One Billion Pounds of Bad Fats from Diet
Thanks to industry-wide collaboration, Omega-9 Oils from Dow AgroSciences have helped remove over one billion pounds of saturated and trans fats from the North American diet with beneficial economic and nutritional impact on the food industry. One billion pounds of “bad fats” translates to over 700 million pounds of trans fats and nearly 300 million pounds of saturated fat. With Americans averaging 11% of calories from saturated fat daily, switching to Omega-9 Oils provides a meaningful way to help reduce cardiovascular disease risk. Read more about this on Dow.com. (http://www.dow.com/news/corporate/2011/20110523a.htm)

Revving Up Energy Alternatives with Novel U.S. Fleet Trucks
Dow recently reached an agreement with Quantum Fuel Systems Technologies Worldwide, Inc. to produce novel plug-in hybrid electric vehicle (PHEV) fleet trucks. Commercially available PHEVs are primarily passenger cars and offer significant advantages by reducing gasoline usage, maintenance requirements and CO₂ emissions. Dow is among the first to engage Quantum Technologies, a leading solutions provider for alternative and renewable energy technology, to convert conventional Ford F-150 trucks to PHEV trucks powered by Dow Kokam lithium ion battery technology, which delivers the energy and power balance required for these vehicles. Read more about this on Dow.com. (http://www.dow.com/news/corporate/2011/20110525a.htm)

End-of-Life Option for Plastic: Energy Generation
Dow has demonstrated the use of recycled plastic to generate energy. The successful pilot test measured how plastic that has been reused and recycled to the full extent possible can be used as fuel for an ultimate end-of-life option instead of going to a landfill for disposal. The pilot test found that 96% of available energy was recovered after incinerating 578 pounds of used plastic in a kiln at one of Dow’s waste treatment facilities. The energy recovered was equivalent to 11.1 million BTU’s of natural gas and was used as fuel for Dow’s incinerator during the test. Read more about this on Dow.com. (http://www.businesswire.com/news/dow/20110523005585/en)

Second Net-Zero Energy Home Includes Affordability
Dow and Cobblestone Homes – a Great Lakes Bay region homebuilder focused on energy-efficiency – introduced a new net-zero energy home in May, during the Midland, Michigan, Spring Parade of Homes. Built for under $250,000, the home, dubbed “InVision Zero,” makes sustainable living an affordable reality for more homeowners, as it is priced at the current United States average new home selling price. Read more about this on Dow.com. (http://building.dow.com/media/news/2011/20110505a.htm)

Dow Mixes it With PolyOne for Polylactic Acid Masterbatches
Dow Plastics Additives has teamed up with PolyOne to introduce OnCap BIO L masterbatches, a range of additives aimed at users of bioplastics in the packaging markets. The OnCap BIO L additive masterbatch broadens the choices available to brand owners looking to use sustainable polymers in applications such as opaque ice cream and food packaging and semi-durable applications such as cosmetic packaging and housing for laptops or mobile phones.

Global Water Technology Development Center Opens in Spain
On June 9, Dow Water & Process Solutions celebrated the grand opening of the Global Water Technology Development Center at the Dow facilities in Tarragona, Spain. The state-of-the-art center is designed to accelerate the commercialization of Dow’s technologies that make possible the production of clean water. Read more about this on Dow.com. (http://www.businesswire.com/news/dow/20110613006615/en)
**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.

**Landfill Gas to Power Corporate Facility**

Dow entered into a purchase agreement with the City of Midland and Consumers Energy in which natural gas created by the city’s landfill will be used to generate electricity to power Dow facilities in its hometown. Recapturing the landfill gas, which would ordinarily escape into the atmosphere, will reduce greenhouse gas emissions by more than 12,000 tons annually, which is the equivalent to the output of more than 20,000 passenger cars. The Gas to Energy project will initially provide approximately 25% of Dow’s energy needs for its Corporate Center. Dow expects to source around 50% of its needs following the start-up of a second Gas-to-Energy facility by the City of Midland in late 2011. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110524005906/en](http://www.businesswire.com/news/dow/20110524005906/en))

**Commendation for Excellence in Business Action on Health Awards**

Dow has been honored by the Global Business Coalition (GBC) for leading the global fight against HIV and AIDS. Dow was one of three companies to receive a GBC “commendation” in the Workplace/Workforce Engagement category of the 2011 Business Action on Health Awards. The award recognizes Dow’s strong commitment to global health promotion in the workplace, and, in particular, the Company’s standard-setting HIV/AIDS program in Sub-Saharan Africa. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110523006500/en](http://www.businesswire.com/news/dow/20110523006500/en))

**American Chemistry Council Recognizes Dow’s Energy Achievements**


**Enhancing Global Energy Efficiency and GHG Reduction**

Dow announced the Company has funded nearly 40 energy efficiency projects around the world, toward fulfillment of Dow’s Energy Intensity Improvement Fund commitments announced in February 2011. Collectively, the projects will reduce the Company’s energy usage by nearly 8 trillion British Thermal Units (BTUs) and Dow’s greenhouse gas emissions by more than 400 thousand metric tons of carbon dioxide. These growth-enabling projects are projected to deliver up to a quarter of a billion dollars in net present value for the Company. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110607005063/en](http://www.businesswire.com/news/dow/20110607005063/en))

**CSX Recognizes Commitment to Chemical Safety**

Dow has received a 2010 CSX Chemical Safety Excellence Award (CSEA), which highlights the Company’s commitment to chemical safety. The award was presented recently at a ceremony in Charlotte, N.C. Dow uses much of the 21,000 miles of CSX track in the U.S. to safely and efficiently transport materials and products. The CSEA specifically recognizes those companies that shipped 600 or more railcars during 2010 on CSX, with zero non-accident hazardous material releases through the entire year. Read more about this on Dow.com. ([http://www.businesswire.com/news/dow/20110520006086/en](http://www.businesswire.com/news/dow/20110520006086/en))

**Dow Thailand Achieves Good Governance Award for Fourth Consecutive Year**

Dow in Thailand recently received the 2010 Good Governance for the Excellent Environmental Management and Social Responsibility Award (Green Star Award) from Monta Pranootnorapal, governor of Industrial Estate Authority of Thailand. The Environmental Governance award is granted to a company for its excellent environmental management policy, as well as the continuous implementation of the company’s corporate social responsibility programs. Dow’s seven plants in Rayong have attained the award each of the last four years.

**Sustainability Center Opens in Calhoun County**

The Dow Sustainability Center of Calhoun County, Texas, opened its doors to the public in May, featuring a 10-bin trailer for recyclables and an environmental education center that will open for the 2011-2012 school year. An electronics recycling event sponsored by UCC Seadrift Operations in conjunction with the grand opening got a “heavy” response - nearly six tons of old electronics, almost enough to fill an 18-wheeler.
Goal Updates

Sustainable Chemistry

The percentage of sales from products with Highly Advantaged sustainable chemistry performance increased from 3.4% in 2009 to 4.3% in 2010. The increase was achieved due to a focus by some businesses on products with environmental and social advantages. A significant number of opportunities have been identified towards enabling additional product sales to be included in the Highly Advantaged category. Engagement is ongoing to further integrate these sustainability opportunities into the business strategies.

The Sustainable Chemistry Index (SCI) increased slightly to 21.4 for 2010. The aggregate scores of sales with environmental and social benefits increased from 2009, but this increase was partially offset by a decline in manufacturing efficiency score. This decline occurred due to several non-routine operations. Business unit leaders include a review of their SCI performance as part of business strategy review.

Dow was the exclusive platinum sponsor of the 15th Annual Green Chemistry and Engineering conference held in Washington. The theme of this year’s conference was “Global Challenges, Green Chemistry Solutions.” Through the collaboration of individuals from diverse backgrounds and experiences, this conference aimed to explore green chemistry solutions to world challenges such as energy, climate change, water, food, housing and health. Dow employees presented at several of the conference sessions. In addition, two Dow technologies were featured in Dow’s display at the conference – the new polymeric flame retardant, and the ultra ion water filtration system.

Addressing Climate Change, Energy Efficiency and Conservation

Energy Efficiency Savings

At the end of Q2 2011, Dow’s energy efficiency efforts have resulted in a savings of $9.8 billion since 1994. This is equal to all the residential electricity needs of California for more than 20 months.

2015 Goal

- Increase the percentage of sales to 10% for products that are highly advantaged by sustainable chemistry
2015 Goals

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

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 3,503 Btu/lb, or 85% of the value in 2005. Dow’s actual performance through Q2 2011 was 3,938 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.
**Product Safety Leadership**

At the end of the second quarter 348 Product Safety Assessments (PSAs) had been posted at www.dowproductsafety.com. With 18 new PSAs posted through second quarter, Dow is projecting that it will meet the 2011 goal and post more than 100 new PSAs by the end of the year.

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 as it uses technology to develop better products.

**Dow Engagements Demonstrate Product Stewardship**

Dow participated in a variety of events in Q2 that helped promote the Company’s leadership in product stewardship, as well as showcase its sustainable solutions.

- At the 19th annual session of the United Nations’ Commission on Sustainable Development (CSD19), held in New York City, Dow helped lead a series of events focused on progressing sustainable development and responsible chemicals management worldwide. In conjunction with the UN Commission on Sustainable Development’s governmental policy negotiations, the International Council of Chemicals Association (ICCA) and the United Nations Environment Programme (UNEP) held a side event sharing their respective work and collaborative programs on the topic of chemicals management. Dow’s corporate director of product responsibility, who serves as ICCA co-chair for the chemicals and health leadership group, presented how the global chemical industry has intensified its programs towards sound chemicals management through Responsible Care® and the Global Product Stategy.

- The EU Commission held its annual environmental policy event, Green Week, where businesses and global policymakers gathered in Brussels to address the theme of “Resource Efficiency – Using Less, Living Better.” Dow leaders participated in the event, showcasing several of the Company’s innovative sustainable solutions and perspectives on policy for enabling a green economy.

**Breakthroughs to World Challenges**

The graphic on the right is a visual representation of the ongoing process to use Dow science and technology to find breakthroughs that can help make the world a better place to live. We have recently reviewed how Dow’s efforts are contributing to the generation of clean energy through the conversion of wind into electricity, and how improving the cost efficiency of reverse osmosis filtering of water can bring clean water to parts of the world where quantities of potable water are not easily accessible. In this update, we summarize a real world problem that needs breakthrough attention as cities are expanding to absorb a migration of population to urban centers. We are just beginning to understand the potential for this innovation and will be further defining its significance using the middle screen, “Detailed Breakthroughs to World Challenges”.

Picture the situation, a young family is off to a great start living in a new apartment. The parents work long hours to help make the rent payment and meet other obligations, but a potential hazard lurks inside this new apartment — formaldehyde. Recognized as a widespread problem in China, the off gassing from construction products and interior decorative materials and furnishings is a poison that is not easily removed from where the family lays down to sleep at night. Formaldehyde can act in multiple ways to poison the body and cause illness. Even with the threat being understood, the immediate solutions are not.

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**2015 Goal**

- **Publish product safety assessments for all products**

**Cumulative Product Safety Assessments**

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<th>Actual</th>
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**2015 Goal**

- **Achieve at least three breakthroughs that will significantly help solve world challenges**
What is the young family to do? They could possibly choose to live in an older apartment where the formaldehyde levels have been greatly reduced over time. They can run exhaust fans, and/or they can attempt to avoid the furnishings that extend the time that dangerous levels of contamination remain present. These are not solutions that will sufficiently eliminate the exposure for many in a population that continues a trend of rapid urbanization. Given that it is expected to be many years before Chinese standards meaningfully reduce these varied sources of formaldehyde, the innovation that is now growing rapidly is the capture of the formaldehyde from the air in the living space.

Dow Coating Materials’ understanding of water-based acrylic binders, used in interior paints, has enabled the creation of a special functionality to reduce formaldehyde in the air through a non-reversible chemical reaction when paint is applied. Working with a leading paint formulator in China, the Dow Asia-Pacific research and development facilities created an offering to specifically address this growing health risk. Since its launch in 2007, it has become recognized as an important option for helping to address what continues to be a serious health problem. The new formaldehyde-absorptive paint is one of the few technologies that meet the China standards bureau test method for determining the effectiveness of coatings in removing formaldehyde.

Today, FORMASHIELD™ is registered as Formaldehyde Abatement Technology for further joint promotion with key customers. Product improvements are being pursued and development is underway with paint formulators for applications in other countries such as India, Thailand and Malaysia.

► Contributing to Community Success

We ended 2010 on a positive note as Pittsburg, CA, and Terneuzen, Netherlands, accomplished benchmark results for the 2015 Contributing to Community Success Goal. Results in the beginning of 2011 have proven just as positive. As Midland, MI, has been home to Dow for more than 100 years, there is no surprise in expecting high “attainable” results. However in 2008, Dow redefined its local community to include Saginaw and Bay Counties (Great Lakes Bay Region). In a survey to set a baseline for this expanded region, 74% of participants indicated they had a positive impression of Dow. Among those same participants, 62% felt as though Dow played a positive role in making the community a better place to live.

The 2008 survey identified issues important to the community. These issues in Michigan that Dow considers “rightful roles” were identified as environment, economy and education.

In May 2011, the Great Lakes Bay Region was surveyed once again to evaluate and compare the baseline of Dow’s impact and favorability within the community. Eighty-six percent of those surveyed that were familiar with Dow had a positive impression, up from 74% in 2008. In addition, 73% of those familiar with Dow also believed Dow played a positive role in making the community a better place to live, up from 62% in 2008.

New Survey Indicates Great Lakes Bay Region Improvements

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<td>78%</td>
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<td>Produces products of value to society</td>
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<td>80%</td>
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<td>62%</td>
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<td>Operates in an ethical manner</td>
<td>62%</td>
<td>52%</td>
<td>14%</td>
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<td>Positive role in making community a better place</td>
<td>73%</td>
<td>62%</td>
<td>8%</td>
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Local Protection of Human Health and the Environment

This quarter we provide an update for metrics that target achieving a 30 percent reduction in emissions levels by 2015. In each case the results are better than our goal line as of the end of 2010.

VOC Emissions

Volatile organic compounds (VOCs) are found in the air as a result of naturally occurring processes and a variety of chemical processes.

NOx Emissions

Nitrogen oxides (NOx) are produced during combustion, especially at high temperature, and contribute to acid rain.

Priority Compound Emissions

Priority compounds are a category of chemicals defined by Dow. These emissions are comprised of chemicals with persistent, bio-accumulative and toxic hazards, and chemicals with carcinogenic, mutagenic or reproductive hazards.
2015 Goal

- Achieve on average a 75% improvement in key indicators for Environment, Health & Safety operating excellence from 2005 baseline.
At the end of Q2 2011, the Severe MVA incident rate was 0.20 accidents per million miles driven. This represents a rate that is 9% better than the rate in the prior year. The rate of 0.20 is 38% better than our goal for 2011. Our 2015 Goal is to reduce the Severe Motor Vehicle Accident rate to no more than 0.28 accidents per million miles driven. This target represents a 33% improvement in our 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.

In Q2 2011, seven Process Safety Incidents occurred. This outstanding improvement in performance translates into an annual rate of 14 events, which would be a 62% improvement compared to 2010 experience. The 2015 Goal of 25 or fewer incidents is a 65% 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.
In Q2 2011, Dow experienced seven Hazmat Transportation Loss of Primary Containment events. At this rate we will improve our performance by 53% compared to the previous year and by 42% compared to our target for 2011. There have been no highly hazardous LOPC events in 2011. Our 2015 Goal to reduce all Hazmat Transportation incidents to 14 or less 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, we have 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 our levels in 2005, which was 1,400 million tonne-miles. We 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.)

By reducing the number of tonne-miles of these materials, we will reduce the chance of in-transit incidents that could impact communities and areas through which our products travel. It is important to recognize that supply chain redesign is a long-term strategic business effort that may not show annual change.

The rate of shipment of Highly Hazardous Materials has increased in 2011, but is projected to remain below our 2015 Goal line for the year. On an annualized basis we would anticipate 950 million tonne-miles of Highly Hazardous Materials shipped via road and rail this year which would be 4% below our goal line.

**St. Charles Operations Achieves Safety Milestone**

Dow’s St. Charles Operations reached two significant EH&S milestones in Q2. The team has successfully completed an entire quarter with zero EH&S unplanned events – the first time St. Charles Operations has achieved this milestone. It also surpassed its previous record of 100 days between Loss of Primary Containment (LOPC) incidents, by reaching 152 days LOPC free.
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.

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.