2015 SUSTAINABILITY GOALS

Dow Sustainability Fellows Program Launches

Groundbreaking Partnership with University of Queensland

Innovations for Tomorrow

Partners for Change

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Goal Updates
Dow and U-M Launch Innovative Program to Develop Sustainability Leaders

Dow and the University of Michigan will bring together 300 students from all areas of study to help solve some of the world’s most pressing sustainability challenges in a new and unprecedented fellowship program. Dow will provide a gift of $10 million over six years to support the Dow Sustainability Fellows Program at U-M.

This real-world, multidisciplinary program will leverage U-M’s nearly $1.25 billion research portfolio to engage in and help solve some of the world’s most pressing sustainability challenges, while driving innovation in Michigan and around the globe.

The unique structure of the program will bring together a select group of the most promising students, and potential future leaders, from natural and social sciences, engineering, business, law, public health, public policy, architecture, urban planning, and other disciplines. These graduate and postdoctoral scholars will learn together how to integrate the power of their respective disciplines to help solve sustainability challenges including energy, climate change, water, food, housing, transportation and health. The program will cultivate nearly 300 leaders in global sustainability.

“At Dow, we know that the most successful partnerships are formed when there is a foundational belief that business interests and public interests should be aligned in order to create long-term solutions for the greater good of humanity,” said Dow Chairman & Chief Executive Officer, Andrew N. Liveris. “Our collaborative partnership pushes aside the standard thinking and supports unique models that will give rise to the next generation of innovators in Michigan and across the world.”

“Through this gift, we have the chance to ramp up our efforts in preparing future leaders in sustainability — in all areas of study, attacking all aspects of this complex issue,” said U-M President Mary Sue Coleman. “The uniqueness of this program is that it is not rooted in any one discipline or any single unit of the university — it is as broad and comprehensive as the subject matter itself. And that is, frankly, the only way to solve problems as pervasive as those we face in sustainability.”

The program includes fellowships for masters, doctoral and postdoctoral students and a supporting lecture series focused on sharing sustainability research and best practices. Under the program, teams composed of fellows at various levels from different disciplines would also compete for awards supporting high-impact sustainability solutions that address a sustainability challenge.
Dow and University of Queensland Sign US$10 Million Strategic Partnership

In a groundbreaking initiative bringing together cutting edge research expertise in energy, water and sustainability with world-class science and engineering education, Dow and The University of Queensland (UQ) unveiled a strategic partnership that will result in the establishment of the Dow Centre for Sustainable Engineering Innovation.

Funded through a Dow contribution worth US$10 million over the next six years, the newly-established Centre will pursue an imaginative program of research and collaboration aimed at harnessing solutions designed to confront the big sustainability challenges of the 21st Century.

“[This is a] lighthouse initiative — hot-housing innovation at the urban energy, water and carbon nexus, which will attract international attention to the issues of sustainability and position Dow and UQ as leaders, achievers and contributors to society,” said Dow Chairman and Chief Executive Officer Andrew Liveris, a UQ chemical engineering alumnus. “The Centre confirms our mutual commitment to sustainability through its focus on high-impact outcomes of global significance and delivery of knowledge and leadership for future generations within an operational framework that provides economic prosperity while respecting community values and the environment.”

The University of Queensland is consistently ranked as one of the world’s leading educational institutions, recognized for establishing highly targeted initiatives and broad interdisciplinary expertise and diversity of the student body and teaching staff. This is the first time Dow has signed such an agreement with an Australian university.

“Dow and UQ are natural partners,” Liveris continued. “The University’s strategic intent and core strengths in science and engineering align well with those of Dow. Dow’s culture of discovery and innovation, a focus on advanced manufacturing and new markets, and a commitment to sustainability are closely matched by the new initiatives driven by global sustainability challenges that are defining UQ’s strategic direction.”

“UQ’s education and research is empowered by partnerships because they make possible commercially viable solutions to global issues,” said UQ Vice-Chancellor Professor Deborah Terry. “The Dow Centre for Sustainable Engineering Innovation will be a driving force of the University’s sustainability agenda, pursuing an imaginative program of research and collaboration and developing solutions to global issues,” said Professor Terry. “We expect the Centre to become a magnet for talented staff and students and to affirm UQ’s leadership in the fields of science and engineering. This is an exciting time for the University and for the growth of Queensland’s knowledge-based future.”
Innovations for Tomorrow

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

Dow Solar Names International Design to Zero Competition Winners at 2012 International Builders’ Show

Dow announced the three winning teams of the international Dow Solar Design to Zero Competition during the 2012 National Association of Home Builders (NAHB) International Builders’ Show (IBS) in Orlando, Fla. Three student teams from the United States and Canada received top prizes for developing exceptional design innovations to achieve affordable, high-performing and energy-efficient housing solutions on a global scale. Two teams from the U.S. took first and second place with a team from Canada placing third. Winners of the competition were determined by a peer-review process that allowed all contestants to vote. Read more about this on dow.com.

Thought Leadership on Stage at GLOBE 2012

Every two years, sustainability leaders from across the world gather in Vancouver for a dialogue on corporate sustainability, energy and climate change and municipal infrastructure. As a diamond-level sponsor at GLOBE 2012, Dow showcased its technology innovation and shared its business viewpoints on building a more sustainable future. Dow experts contributed to the collaborative discussion at the conference by sharing the Company’s expertise and leadership in sustainable development, “green” chemistry solutions, and responsible operations. Read more about this on dow.com.

Dow Gathers Innovation Thought Leaders at TED 2012

Dow convened an expert panel discussion at TED 2012, a distinct, global forum for innovative think tanks from different disciplines and areas of expertise to discuss relevant topics that can drive positive changes to our planet. The panel, Putting Energy in its Place: How Better Design & Better Batteries Can Lead to a Better Future, addressed the issue of long-term energy storage to meet the world’s evolving energy consumption needs. The discussion focused on how we consume energy in our cities and how we use our vehicles, and also highlighted new advances in material science that can answer these fundamental challenges of a sustainable energy future. Read more about this on dow.com.

Joint Commitment with Charles Darwin University Signed

Dow and Charles Darwin University (CDU) announced a joint commitment to education services and research capabilities targeted at the oil and gas industry, a move that reflects the emerging importance of the natural resources and energy industry in Northern Australia and across South-East Asia. The three-year agreement supports the development of research, distance education and training at CDU’s North Australian Centre for Oil and Gas (NACOG). NACOG, a new Darwin-based facility to be established in 2012, will provide a focal point to support the CDU Chemical Engineering program through access to state-of-the-art teaching and research equipment and laboratories. Read more about this on dow.com.

TÜV Rheinland Validates Performance of Solar Panel Made with ENLIGHT™ Polyolefin Encapsulant Films

Dow continues to take steps to validate the benefits of using ENLIGHT™ Polyolefin Encapsulant Films technology to help harness the power of the sun and turn it into useful energy for the world’s needs. Crystalline silicon PV (photovoltaic) modules made with ENLIGHT™ Polyolefin Encapsulant Films were performance tested by TÜV Rheinland in Germany. Following requirements of IEC 61215, the panels were shown to perform well in all test protocols. Read more about this on dow.com.
Partners for Change

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

DAS India Contributes to Corporate Social Responsibility Program – Jaipur Foot Camp

Dow AgroSciences (DAS), Dow India and Bhagwan Mahaveer Viklang Sahayata Samiti’s (BMVSS) recently conducted the Jaipur Foot Camp in Chipun, near the DAS manufacturing site at Lote. The camp took place from Jan. 21-25 and included free consultations, custom design and distribution of artificial limbs (Jaipur Foot) and callipers to the physically challenged. Since 2005, Dow India has been the largest corporate sponsor of BMVSS, which is the world’s largest limb-fitment organization. This organization provides free prosthetic limbs, polio callipers, wheelchairs, tricycles and crutches to the physically challenged. Dow India’s partnership has changed the lives of more than 25,000 people through a combination of technical development, product application, financial donation and employee engagement.

Expanded Commitment to Habitat for Humanity

Dow announced a two-year commitment for financial and product contributions to help Habitat for Humanity create safe, affordable housing in partnership with low-income families around the globe. Adding to the more than 20 countries where Dow has participated in Habitat builds, this year the Company will support projects in Africa, Europe, Latin America, Middle East, Asia Pacific and North America, as well as Habitat’s Jimmy and Rosalynn Carter Work Project — Habitat’s most widely recognized annual event aimed at raising global awareness of the need for decent, affordable housing. As part of its commitment, Dow has pledged nearly $1.5 million to help fund 26 Habitat builds and other key projects around the world in 2012. Additionally, Dow anticipates gift-in-kind contributions of STYROFOAM™ brand insulation products in excess of $4 million, which represents the first half of a two-year product commitment. Read more about this on dow.com. (http://www.dow.com/news/company/article/?id=20120227005902/en)

UC Berkeley Advances Sustainable Chemistry Education with Dow Gift

The UC Berkeley College of Chemistry will rebuild the college’s aging undergraduate teaching labs and design a new curriculum based on the principles of sustainability and green chemistry with the support of a $3.5 million gift from Dow. To implement this new vision, funds from the Dow gift will transform the curriculum in three ways. First, the teaching labs will be renovated to reduce the impact of their use through sustainable practices. Second, the lab curriculum will be completely revised to incorporate sustainability into every experiment. The curriculum will be based on independent teaching modules that will engage the students by having them choose their experimental topics. Third, a chemical analysis instrumentation facility will be built to give the thousands of students in the introductory courses the opportunity to work with modern instrumentation. Read more about this on dow.com. (http://www.dow.com/news/all-news/article/?id=20120224005612/en)
**SISCA Adds Nine New Universities Worldwide**

The fourth annual Dow Sustainability Innovation Student Challenge Award (SISCA) program is expanding to include nine new strategic universities across the globe. Developed in conjunction with Dow's 2015 Sustainability Goals, SISCA drives collaboration and advancement in social and environmental responsibility by inspiring students to solve significant world challenges through sustainable solutions. Participating universities are selected based on their academic excellence and a commitment to sustainability. The nine new universities are: California Institute of Technology (U.S.), Fudan University (China), Monterrey Institute of Technology and Higher Education (Mexico), Massachusetts Institute of Technology (U.S.), Penn State University (U.S.), Shanghai Jiaotong (China), Technische Universität Delft (The Netherlands), Tsinghua University (China), University of Minnesota (U.S.). Returning for the 2012 program are the following universities: King Abdullah University of Science and Technology (Saudi Arabia), Northwestern University (U.S.), Peking University (China), Tufts University (U.S.), University of California, Berkeley (U.S.), University of Cambridge (United Kingdom), University of Michigan (U.S.), University of São Paulo (Brazil). Read more about this on dow.com. (http://www.dow.com/news/corporate/2012/20120326a.htm)

**Dow Engaged In Sustainable Transportation at Launch Ceremony for Green Freight Europe**

Dow joined policy makers, shippers, carriers, retailers and associations to launch GREEN FREIGHT EUROPE, an industry led program driving reductions of carbon emissions from road freight in Europe. GREEN FREIGHT EUROPE establishes a methodology for measuring and reporting carbon emissions and enables improved procurement decisions and collaboration between carriers and shippers to reduce CO2 emissions. It is also a platform for companies to share best practices, promote innovations and communicate sustainability improvements on European road freight. Dow leadership will participate in this event to help foster collaboration among freight stakeholders and to help European harmonization for transport carbon emissions. Read more about this on dow.com. (http://www.dow.com/news/corporate/2012/20120327a.htm)

**Kuwait Environment Month 2012**

As an active member of Kuwait's community, Dow helped to advance public understanding and appreciation of environmental development and sustainability through its global sponsorship of Kuwait's Environment Month. The initiative, which was held under the patronage of His Highness Sheikh Jaber Mubarak Al-Sabah Prime Minister, in collaboration with United Nations Development Program (UNDP) and Environmental Public Authority organized by Edara Group, ran from March 20 through April 22, 2012. The environment month exhibition was opened by Kuwait's Minister of Health Dr. Ali Saad Al-Obaidi. Environment Month aims to raise awareness of social, economical, and political environmental issues that affect Kuwait’s vital sectors, in order to incite positive practices and solutions.

**Clean Power Purchasing Leadership Roundtable**

Dow and Altenex, a network that focuses on securing competitively priced renewable and clean power for its member companies, hosted a Clean Power Purchasing Leadership Roundtable. Participants in addition to Dow included the U.S. Environmental Protection Agency (EPA) Green Power Purchasing Partnership; Second Nature, an organization of college and university leaders who support sustainability in higher education; and a “who’s who” of companies proactively pursuing clean power options, including Walmart, Proctor & Gamble, General Motors, Chrysler, Constellation Energy, Waste Management, Sony and Kelloggs. Dow is a founding member of Altenex and serves as the exclusive chemical company representative on Altenex’s advisory board. In this role, Dow leverages its greenhouse gas and energy management leadership to provide direction for Altenex’s network and service offerings. In addition, Dow, General Motors, Walmart and Sony are all part of the EPA Clean Power Purchasing Partnership.

**Partnering with National Society of Black Engineers to Bring SEEK to Detroit**

The Dow Chemical Company Foundation, the philanthropic arm of Dow, has announced its support to help launch the National Society of Black Engineers’ (NSBE) well-respected Summer Engineering Experience for Kids (SEEK) program for the first time in Detroit in summer 2012. Dow made its pledge of a $100,000 grant during the general session of NSBE’s 38th Annual Convention, in March, in Pittsburgh, Pa. The three-week SEEK program is open to students in 3rd through 8th grades and will be held at local schools in Detroit. Read more about this on dow.com. (http://www.dow.com/news/corporate/2012/20120330a.htm)
DAS Harbor Beach Employees Contribute to Community Success Through Adopt-A-Family

Dow AgroSciences’ (DAS) Harbor Beach, Michigan employees and contractors completed a very successful 2011 Adopt-a-Family program. Thanks to the generosity of employees and contractors at the site, the 2011 Adopt-A-Family fundraising efforts generated more than $10,000. With this money, the Harbor Beach Site adopted 26 families identified through the Harbor Beach and Port Hope school systems, Huron County Sheriff Department Toys for Tots program, Huron County Safe Place, Sanilac Community Baby Pantry, local church organizations and employee referrals. The donations were used to ensure each child received needed items such as boots, jeans, and sweatshirts, along with at least one toy. In addition, many families were given a gift certificate to purchase food and paper products from a local grocery store.

Super Bowl Charity Tailgate Scores a Touchdown for Second Helpings

Dow AgroSciences (DAS) hosted a “Super Bowl Charity Tailgate” fundraiser benefitting Second Helpings Inc., an Indianapolis, Ind., not-for-profit organization that accepts donated perishable and overstocked food to prepare nutritious meals for thousands of hungry children and adults every day and the official food rescue organization of the 2012 Super Bowl. With employees’ overwhelming support, DAS raised more than $2,000 for Second Helpings. In conjunction with the charity tailgate, a food drive was also held onsite and 700 pounds of food was donated to Second Helpings by DAS employees. DAS’ Super Bowl Food Drive focused on the collection of non-perishable foods to enable Second Helpings to prepare and provide more than 3,000 meals a day.

Miller Homes and Dow Building Solutions Educate Public About High Performing Homes

Miller Homes, in collaboration with Dow Building Solutions and CDH Energy, built an educational, energy efficient deconstructed duplex designed to educate the public and the industry on the importance of high performing homes. The ENERGY STAR® rated duplex is divided into two parts: half of it is finished and serves as a model home; the other half showcases structural components and building envelope technologies from Dow — open framing, rough electrical, heating, insulation and air-sealing. The duplex is part of the Inverness Gardens subdivision located in Syracuse, NY, and will stay open over the next four years to serve as an educational and training facility for builders, contractors, architects, students and the public. Read more about this on dow.com.

Dow Sponsors Free Family Admission to “Sunday in Nature” Event

Dow’s Houston area manufacturing sites are providing free admission every third Sunday to the Sunday in Nature Event at the Armand Bayou Nature Center. The program will continue throughout 2012 to encourage outdoor family activities and participation in Armand Bayou’s unique nature programs. The Sunday in Nature program will reconnect visitors to nature with a different educational topic and activities designed to engage and entertain the entire family. Families can learn about outdoor skills, become better citizen scientists, and experience an amazing urban wilderness area.
Smart Solutions for Today
Our technologies enable our customers, and their customers, to develop more sustainable products and services.

Dow Solar Announces First POWERHOUSE™ Authorized Dealers
Dow Solar has extended the accessibility of electricity-creating roofing shingle technology by announcing the first members of the POWERHOUSE™ Authorized Dealer Network. Three leading Colorado roofing contractors — Academy Roofing, B&M Roofing of Colorado Inc., and D&D Roofing — will provide the Colorado residential market with DOW POWERHOUSE™ Solar Shingles. With Dow’s three Authorized Dealers trained and ready to offer DOW POWERHOUSE™ Solar Shingles as part of their roofing portfolio, homeowners throughout Colorado are now able to reinvent their roofs with a solar solution that combines design and function. Read more about this on dow.com. (http://www.dow.com/news/all-news/article/?id=20120117005290/en)

Insulation Products Receive Cradle to Cradle Certified Renewal
Building insulation products from Dow Building Solutions have been recertified by the Cradle to Cradle Certified program, a well-known, multi-attribute eco-label that assesses a product’s material content, recyclability and manufacturing characteristics. Originally certified in 2010 and recertified in 2011, after rigorous analysis in 2012, STYROFOAM™ Brand Extruded Polystyrene (XPS) Foam Insulation recertified at the SILVER level and THERMAX® Insulation achieved BASIC recertification. Unlike single-attribute eco-labels, the certification program uses a comprehensive assessment to evaluate the sustainable attributes of a product, as well as the practices employed in manufacturing the product.

Showcasing the Art of Energy Efficient Building at IBS 2012
Dow showcased products that help builders and contractors create their own masterpiece at the International Builders’ Show (IBS) in February, in Orlando, Fla. The Dow booth featured a full gallery of collaborative real-life projects, highlighting builders and contractors that take homebuilding and remodeling to the next level through their use of energy efficient solutions from Dow. Throughout the show there were also informative product demonstrations from Dow experts that highlight industry leading insulation and air sealing building products. Read more about this on dow.com. (http://www.dow.com/news/business/2012/20120202a.htm)

Kruper Earns ACS Award for Affordable Green Chemistry
William J. (Jack) Kruper, a corporate fellow at Dow, has been honored with the American Chemistry Society (ACS) Award for Affordable Green Chemistry. Dr. Kruper earned the award for successfully developing a new process for converting glycerin to epichlorohydrin, an intermediate in the production of liquid epoxy resins commonly used in the electronics industry. The award recognizes outstanding scientific discoveries that lay the foundation for more environmentally-advanced products, more cost effective manufacturing processes, and more novel technologies that improve the quality of our everyday lives. In the spirit of the award, Dr. Kruper has chosen to donate the cash prize that accompanies the award ($5,000) to Colorado State University in order to fund a Dow Symposia Series on Sustainable Chemistry. Read more about this on dow.com. (http://www.dow.com/news/corporate/2012/20120328a.htm)

Dow AgroSciences Realizes Sustainability Gains Through Increased Use of Rail
Dow AgroSciences (DAS) Supply Chain kicked off a project to maximize value and uncovered enormous bulk logistics cost savings opportunities, but just as exciting were the sustainability gains associated with converting bulk truck shipments into rail. This new supply strategy has proven successful, delivering cost and carbon footprint savings without sacrificing customer service. Each additional railcar shipment saves $8000 in freight cost, 20,000 LB of CO2 emissions, and 1,200 GL of diesel fuel. DAS Supply Chain has moved from a pre-project average of 2.5 railcars per month to a monthly average of 27 with a peak month of 49.
In addition, more than $3.5 MM in total savings has been booked and the enhancements will save $2MM annually going forward, even after capital, lease, and inventory costs are considered. The sustainability impact is just as significant as the approach is saving 350,000 GL of diesel and 5,000,000 LB of CO2 each year, the equivalent to removing 500 cars from the road.

**Insulating Basements in Canada with Dow STYROFOAM™ Brand XPS Insulation**

With eco ENERGY Retrofit rebate incentives from the Government of Canada, projects such as finishing basements have already become one of the top five renovation projects for 2012 in Canadian home renovation market. Through March, homeowners were able to earn a rebate of up to $1,250 for the installation of basement insulation, and STYROFOAM™ Brand Extruded Polystyrene Foam Insulation (XPS) qualified as an approved product under the program. STYROFOAM™ Brand Insulation by Dow Building Solutions is a leading brand of rigid closed cell foam board insulation and is recognizable by its trademark BLUE™ color. Read more about this on dow.com. ([http://www.dow.com/news/business/2012/20120113a.htm](http://www.dow.com/news/business/2012/20120113a.htm))

**Program to Promote Industrial Sustainability**

Dow Thailand is extending its support to ensure sustainability of the industrial sector with a training program created through a partnership with the Thailand Environment Institute Foundation and the Department of Industrial Promotion of the Ministry of Industry. The program, Sustainable Environment Management and Pollution Prevention Training Programme, was the first “train the trainer” initiative that targeted educating representatives from the private and public sectors to become potential trainers in each industrial target group. The program will consistently run from February to November 2012, with the goal of providing free training courses on “cleaner production” for academics and all personnel relevant to environmental, health, and safety industries, including various manufacturers. The program will reach more than 2,000 people by the end of this year.

**Dow Researchers Recognized At Society of Toxicology National Meeting**

Dow TERC scientists, Paul Price and Dr. Michael Bartels were recognized at the Society of Toxicology (SOT) National Meeting for their paper, which was one of two publications funded under the American Chemistry Council’s Long Range Initiative, and was selected as the “Best Modeling Paper of 2011.” The case study was the first example of how the safety of a chemical can be modeled directly, without using safety factors or other policy-based tools. Their research built on almost two decades of work performed by Dow and Dow AgroSciences (DAS) on chlorpyrifos as a pesticide used on agricultural crops.

**Dow Thailand Earns Environmental Governance Award**

Dow Thailand received the Environmental Governance Award (Green Star Award) for the fifth consecutive year from Industrial Estate Authority of Thailand. Seven Dow subsidiaries were granted this award for their excellent environmental management and corporate social responsibility. The Good Governance Award honors corporations for their governance on environmental conservation, including waste water management, waste management, air and noise pollution, Volatile Organic Compounds management, management of green zones and the local employment, community engagement and CSR activities.

**DAS Employee’s Non-Profit Organization Aligns with Corporate Citizenship Goals**

Dan Randolph, Dow AgroSciences (DAS) biologist, innovatively established a non-profit organization, Three Days Project, to specifically aid the contaminated drinking water and poor sanitation conditions present in Zimbabwe. This organization has been implementing the idea of contributing to sustainable agriculture and community success since its inception in 2009. The purpose of Three Days Project is to build wells at school sites throughout communities in Zimbabwe. The goal is to have constructed seven wells throughout Zimbabwe by the end of 2012, and they are well on their way with four wells already installed. The team will return to Zimbabwe in the fall of 2012 to complete construction of the final three wells.
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.

TRANSCAER® National Achievement Award

Dow has received the 2011 TRANSCAER® National Achievement Award as a result of the Company’s commitment to safety and security and for extraordinary support of the TRANSCAER (Transportation Community Awareness and Emergency Response) principles. The TRANSCAER Awards Program recognizes the achievements of individuals, companies and organizations that exceed in advocating, demonstrating and implementing the principles of TRANSCAER at the national and regional levels. In 2011, Dow sponsored seven major training events for over 900 participants in 17 locations through eight states. As co-founder of TRANSCAER, Dow continues its commitment to this voluntary national outreach effort to assist communities in preparing for and responding to a possible hazardous material transportation incident.

Sharing Laboratory Safety Expertise with University of Minnesota

Dow and University of Minnesota are expanding their strategic partnership by launching a pilot program to improve safety awareness and practices in the Department of Chemistry and Department of Chemical Engineering and Materials Science in the university’s College of Science and Engineering. The pilot program will leverage key elements of Dow’s best-in-class practices to help improve university laboratory safety. Successful elements of this safety pilot program could be leveraged to other departments within the University of Minnesota College of Science and Engineering and potentially to other universities.

Ranked #7 in S&P 500 Clean Capitalism Rankings

Corporate Knights announced its inaugural S&P 500 Clean Capitalism Ranking, listing Dow as one of the top 20 S&P 500 companies honored for social and environmental leadership. Dow ranked seventh on the list and was also the top ranked chemical company. Companies were analyzed across 11 quantitative indicators addressing workplace safety, resource use and environmental emissions. Metrics included direct and indirect energy consumption, carbon dioxide and CO2-equivalent emissions, water use and waste generation. Read more about this on dow.com.

EPA Report Reflects Dow’s Use of Waste Management Best Practices

Dow’s use of regulator-preferred waste management practices at its manufacturing facilities in the United States was reflected in a report issued by the U.S. Environmental Protection Agency (EPA). The report showed that 97% of Dow’s TRI waste in 2010 was managed through treatment, recycling, and energy recovery – all of which are part of the EPA’s preferred approach to materials management. Dow’s ranking on the report’s list of waste-generating companies reflects the relative size, scale, and complexity of Dow’s operations compared to other chemical producers. With more than 250 production units at 55 manufacturing sites and over 25,000 employees across the country, Dow is the largest chemical manufacturer in the United States. Read more about this on dow.com.

A+ for Sustainability Reporting from Claremont McKenna College

The Roberts Environmental Center at Claremont McKenna College in California is focused on global corporate environmental transparency and performance. Students and faculty analyze the environmental and sustainability reporting of the world’s largest corporations and have been publishing the results for years. Their recent update gave Dow the highest grade of A+ (highest 4% in the chemical sector), citing “Dow Chemical does an impressive job of reporting its environmental sustainability practices through its Global Reporting Initiative Report, Code of Conduct and web pages; going into detail of how it will implement them in the present and future.”
Dow Greater China Wins Social Responsibility Award

Dow Greater China was honored with the corporate social responsibility Leadership Award at the seventh annual AmCham Shanghai CSR Awards Ceremony. Established in 2005, the AmCham Shanghai CSR Awards aim to encourage corporate social responsibility development in China. This year’s judging panel consisted of government officials, senior practitioners and scholars from the public, private and nonprofit sectors. After a six-week period of careful evaluation, finalists were selected from a strong field of more than 60 nominees who exemplified best practices in the areas of CSR strategy, corporate governance, fair workplace practices, and environmental and social impact.

Dow Izolan Named Among Top Russian Chemical Companies for Sustainable Dynamics of Business Development

Dow Izolan, Dow’s joint venture company in Russia for polyurethane systems production, has been named by the Russian Union of Industrialists and Entrepreneurs (RSPP) among the top winners of the All-Russian Contest “Best Russian Companies: Evolution, Efficiency, Responsibility – 2011”. Dow Izolan received the award in the prestigious category “Sustainable Dynamics of Business Development” along with other local chemical players such as Altai-Koks, Kuchuk Sulphate and Polyef. Read more about this on dow.com. (http://www.dow.com/news/business/2012/20120214a.htm)

Texas Operations Receives Keep Texas Beautiful Award

Keep Texas Beautiful recently announced Dow Texas Operations as the winner of the 2012 Ebby Halliday & Maurice Acers Business/Industry, National award, one of nine awards it bestows to honor those who protect the Texas environment and support the organization’s mission to make Texas the cleanest, most beautiful state in the nation. This award recognizes businesses with sound environmental principles supporting the Keep Texas Beautiful mission. Each year, Keep Texas Beautiful acknowledges deserving individuals, businesses, community groups, civic organizations, media, government entities and law enforcement officials for their commitment to an array of environmental issues, including litter prevention and community beautification, volunteerism, illegal dumping enforcement and education. Read more about this on dow.com. (http://www.dow.com/news/corporate/2012/20120307a.htm)
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

In the first quarter of 2012, Dow added an absolute Greenhouse Gas commitment to our Climate Change goal – Dow will maintain GHG emissions below 2006 levels on an absolute basis for all GHGs. We will find ways to grow our Company, but not grow our GHG emissions. Related to this additional metric to manage our Company footprint, we are also investing in the development of a Net Impact Tracking Tool. This technique will sharpen our focus on the full life-cycle benefits of Dow products.

A sustainable energy future requires constant manufacturing efficiency improvement inside our Company while maximizing the contributions of Dow products to improve efficiency and expand affordable alternatives. Energy is an enabler of global economic growth, and energy efficiency remains critical to meeting the world’s energy demands. Dow’s innovation engine is driving energy solutions that meet society’s needs and provide a competitive advantage to our Company and our customers.
Dow’s manufacturing energy intensity, measured in BTUs per pound of product, has improved more than 40% since 1990, saving the Company a cumulative $24 billion and 5,200 trillion BTUs. This is roughly equivalent to the annual energy consumption of 48 million single-family homes. We estimate that our 2015 Energy Intensity Goal efforts will yield a cumulative savings of more than $1 billion and 190 trillion BTUs. This is equivalent to the annual energy consumption of over 1.7 million single-family homes. Dow’s portfolio transformation, coupled with global economic conditions, has impacted the scale and speed of anticipated energy intensity reductions. Dow continues to invest and expects additional energy efficiency progress from in-flight projects that will see results after 2015.

Since 2005, Dow has changed the types of products we make and the manufacturing assets we operate. With this diverse portfolio, it is not optimal to measure the energy intensity of products like Dow’s FILMTEC™ water treatment membranes or STYROFOAM™ advanced insulation on a BTU per pound basis. Products like these help virtually every industry become more efficient. Through Dow’s development of the Net Impact Tracking Tool, the Company will account for the energy efficiency contribution of Dow’s products.

For example:

- Installed in more than 20 million buildings worldwide, Dow STYROFOAM™ Brand Insulation insulates over 20 billion square feet, saving more than $10 billion in energy costs annually.
- By 2015, the energy efficiency improvements of Dow’s FILMTEC™ and other water treatment technologies are estimated to enable energy savings equivalent to 4.6 million single-family homes.

Greenhouse Gas Reduction

Dow’s energy efficiency efforts have significantly reduced the Company’s greenhouse gas (GHG) emissions footprint. As a result, Dow has prevented over 200 million metric tons of GHG emissions from entering the atmosphere since 1990. This is equivalent to the annual emissions of more than 16 million single-family homes.

Dow’s goal is to maintain GHG emissions below 2006 levels on an absolute basis for all GHGs, thereby growing our Company, not the carbon.

Between 1990 and 2005, the Energy Intensity (Btu/lb) of global operations was improved by 38%. 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 2012 is 3,440 Btu/lb, or 82.5% of the value in 2005. Dow’s actual performance through Q1 2012 was 4,034 Btu/lb, which is 96.8% of the 2005 baseline.

### Energy Intensity Performance 1994-2015

### Absolute Greenhouse Gas Emissions as CO₂ Equivalent
We will continue to focus on managing our footprint and delivering solutions to help our customers manage theirs. For example, Dow’s insulation products contribute to greater energy efficiency, helping avoid millions of metric tons of GHG emissions per year.

We will report the contributions of Dow products and solutions to increased energy efficiency and emissions reduction through the development of our Net Impact Tool. This tool will quantify the energy and GHG profile of products across the life cycle including Dow’s raw material supply chain, manufacturing and distribution, product use and end of life.

Dow reports absolute emissions against a 2006 baseline as well as progress towards the development of its Net Impact Tracking Tool in Quarterly Sustainability Reports. While GHG intensity is reported, absolute emissions are the primary GHG metric for the Company.

2025 Clean Power Target Addition

In 2008, Dow established a Clean Power target of 400 megawatt equivalents by 2025, which represents 10% of Dow’s total global power demand in 2004. This includes power provided from low-carbon or renewable energy sources. To date, the Company is already more than half way towards this target at 215 megawatts.

Dow is working to incorporate economically-viable, clean-technology energy alternatives into its operations. Examples include:

- At Dow’s Pittsburg, California, facility, the Company utilizes solar energy, off-setting approximately 200,000 metric tons of carbon emissions per year.

- Electricity from recaptured landfill gas is used as a source of power to Dow's Midland headquarters, reducing greenhouse gas emissions by more than 12,000 tons annually.

- Wind powers production for PROCITE® films, a product used in postal envelope applications, at Dow’s Hebron, Ohio, facility. The offset is equivalent to the annual energy consumption of 330 single-family homes.

- In 2013, Dow will begin use of eucalyptus biomass as a source for steam to serve its Aratu, Brazil, site, which is already powered through hydroelectricity. As a result, the site’s carbon emissions will be reduced by 180,000 metric tons annually. Upon project completion, the Aratu site will be more than 75% sourced for power and steam from clean energy.

- Dow will continue to pursue efforts to identify cost competitive, clean power options to accelerate solutions that enable a sustainable energy future.
Product Safety Leadership

At the end of the first quarter, 412 PSAs had been posted at www.dowproductsafety.com. With one new PSA posted in the first quarter, Dow is projecting that it will meet the 2012 goal to 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 product 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.

Breakthroughs to World Challenges

The graphic on the right is a visual representation of the ongoing process of using Dow science and technology to find breakthroughs that can help make the world a better place to live. In June the world will gather again in Rio to take stock of how we have progressed in dealing with the big challenges the world faces. Central to the review process will be an evaluation of the UN Millennium Development Goals (MDGs). Dow’s Breakthroughs to World Challenges Goal was inspired by the MDGs. We look forward to hearing how the world is progressing and this quarter we want to give you an update on the progress Dow is making in the area of providing solution to meet our electricity needs without the need for CO2 to be emitted to the atmosphere.

Solutions from the Wind

Today, 21 countries produce more than a gigawatt (1000 megawatts) of electrical power from wind turbines, and more than 75 countries in the world generate a significant portion of the electrical energy needs from wind according the Global Wind Energy Council. Wind-power capacity is expected to double by 2016, with an estimate of nearly 500 gigawatts of capacity. Countries like Denmark now produce more than 25% of the electricity needs from wind power, while Spain produces more than 20 gigawatts. This is the equivalent of 20-40 HUGE coal fired power plants that don’t need to be built. This is a significant and rapidly growing industry globally and Dow plays a key role in supplying solutions to enable this growth.

Have you noticed how long the blades are getting on new wind turbines? You might ask why. The answer is that a 40% increase in the length of a blade leads to a 100% increase in the amount of energy that can be produced by that turbine. This simple fact leads wind turbine manufacturers to produce longer and longer blades. To meet the need for light weight, durable solutions, Dow’s epoxy business has been innovating through its AIRSTONE™ epoxy systems and COMPAXX™ foam core systems to meet and supply the needs for this rapidly growing industry. Check out the innovations at http://www.dow.com/solutionism/wind-power.htm.

We also know that the wind is not always blowing just as the sun is not always shining, thus Dow is also investing heavily in energy storage technologies that will allow us to cost effectively store the energy from sources like wind and solar for use when demand is greatest. In coming reports we will tell you more about these and other breakthrough solutions.
Contributing to Community Success

Community outreach has been an essential element of Dow since our founding in 1897. For years, our mission has been to be a good neighbor and a trusted partner, making sure we leave a positive impact on every community where we have operations.

As we move into our sixth year of our sites implementing community success plans, we can safely say our community relations program has gone above and beyond just relationship building. As our Company has evolved, so too has our view of citizenship. What is our rightful role within the communities where we have operations? Where can our expertise and talent have the greatest impact? How can our employees engage in more meaningful ways in the non-profit endeavors of our cities and towns?

Today, we can answer those questions. Our neighbors are communicating exactly what role they see us playing, and we are responding. Let’s take a look at the process and the results.

2015 Goal

By 2015, 100% of Dow’s major presence sites will have achieved their targeted individual community acceptance ratings, which measure community favorability with the role Dow plays in making the community a better place to live; and, by 2015, 100% of Dow sites are actively engaged in implementing the “Contributing to Community Success” best practices in their respective communities.

What Is Community Success?

To develop the “community success” model we first envisioned, Dow created a survey process to allow communities and their leaders to provide qualitative and quantitative input on their quality of life concerns. We asked for, and have received, detailed feedback about Dow’s appropriate role, whether it is to address community needs or use Dow’s leadership position to influence change.

We collect data through an anonymous community assessment that gauges priorities related to quality of life and the perception our communities have of us. Based on these results, and with the collaborative guidance of site leadership, local community advisory groups and other community stakeholders, we are able to formulate a “community success plan”. This plan includes understanding community needs, addressing critical issues, aligning our philanthropic strategies and ensuring impact in those areas. During this process, we work to identify “breakthrough” initiatives and we leverage the expertise of Dow’s Community Advisory Panels and our employees.

Our focus at every site is on the same objectives – addressing the most relevant needs of the community while developing and fostering new relationships that continue to nurture the Community Success method. Through this process, we harness Dow’s spirit of innovation to stimulate locally grown solutions to pressing challenges.

Current Activity

Our current priority is to re-assess our communities to determine progress since our initial program launch. To date, we have been successful in re-measuring many of the sites with positive results.
Sites Re-measured in 2011

• Pittsburg, California
• Midland, Michigan
• Terneuzen, The Netherlands
• Stade, Germany

Re-measured in 2012

• St. Charles, Louisiana
• Plaquemine, Louisiana
• Rhine Center, France/Germany

Taking Action

The results of this interactive and iterative process are clear in the breakthrough programs that have resulted from our efforts. From Germany to Brazil, small sites to large sites, our novel solutions to community challenges are many. Just a few examples are provided below.

• Redefining Employee Engagement: in 2001, Dow launched its Corporate Volunteer Manager (CVM) program, initiated at Dow’s Michigan Operations. The CVM program was designed to encourage and link employees to volunteer opportunities that align with Dow’s Community Success priorities. Its sole purpose is to match Dow employee volunteers with worthy causes. Since the CVM program started in 2010, Dow’s Michigan Operations has seen dramatic increases in employee participation and employee tracked hours. The result – positive progress toward Dow’s 2015 Contributing to Community Success Goal. In 2011, 1,231 employees volunteered 13,597 hours. Michigan Operations is proving that the CVM program is engaging Dow employees and making the community a better place to live.

• Get Ready for a Good Job: That was the rallying cry and program title for a recent initiative of Dow Argentina that earned the Corporate Citizenship Award for Corporate Social Responsibility Practices. “Get Ready for a Good Job” is a training program designed to improve job skills and access to jobs for young people in Bahia Blanca, where Dow has operations. The award recognizes best practices developed by companies in the areas of community, environment, internal audience and suppliers.

• Our City: Zhangjiagang, China, was the location for a half-day “Our City” workshop at Zhangjiagang Lantian Primary School in November 2011. Organized by Dow, employees from the Company’s local manufacturing site worked as volunteer teachers with Junior Achievement to introduce the economics of city life and the concepts of sustainability to 35 students in third and fourth grade. The course, titled “Inside City, Building City and Protecting Water,” was offered in three sessions that included classroom activities, hands-on practice and interactive games. The workshop aims to help students nurture good behavior and living habits through building awareness of the significance of sustainable development.

Local Protection of Human Health and the Environment

During the first 10-year goal period, the Company 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 14 times less likely to experience injury or illness than the U.S. manufacturing rate reported for 2009.

At the end of Q1, the Injury and Illness rate was 0.16 per 200,000 hours of work. This is a 47% improvement compared to 2011. The 2015 Goal of 0.12 per 200,000 hours is a 75% improvement from 2005.
At the end of Q1 2012, the Injury and Illness Severity rate was 0.43 per 200,000 hours of work. This is 60% better than our performance for all of 2011 and is below our target for 2015. The 2015 Goal of 0.67 per 200,000 hours is a 70% improvement from 2005.

At the end of Q1 of 2012, the Company had experienced 74 Loss of Primary Containment incidents. When annualized, the implied total of 296 incidents for 2012 would be above our target for the year. The 2015 Goal of 130 or fewer incidents is a 90% reduction from 2005.

At the end of Q1 of 2012, the Company had experienced two Process Safety Incidents. When annualized, the implied total of eight incidents for 2012 would be a dramatic improvement over an excellent performance in 2011. The 2015 goal is experiencing less than 25 Process Safety Incidents. 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 of 2012, the Severe MVA incident rate was 0.10 accidents per million miles driven. This is 47% better than the rate in the prior year, and continues a performance that is better than our target for 2015. 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 of 2012, Dow had experienced four Hazmat Transportation Loss of Primary Containment events. When annualized, the implied total for 2012 is 16, which would continue our improvement compared to previous years. Our 2015 Goal to reduce all Hazmat Transportation incidents to 14 or less is a 75% improvement from 2005.

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. Supply chain redesign is a long-term effort and changes in sourcing points sometimes take multiple years to implement.

When annualized, the Q1 shipments imply that we would experience about 780 million tonne-miles for all of 2012. The goal for 2015 is to reduce these shipments to less than 705 million tonne-miles, which would be a 50% reduction from our baseline in 2005.
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.