2015 SUSTAINABILITY GOALS

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Business Collaboration Shows Progress at Rio+20

Twenty years after the conference was last held in Rio de Janeiro, the 2012 United Nations (U.N.) Conference on Sustainable Development – “Rio+20” – convened global leaders to advance sustainable innovation and foster collaboration between companies, governments, civil society and the U.N. With a commitment to collaboration and solving global sustainability challenges through chemistry as part of the Company’s 2015 Sustainability Goals, Dow is a key supporter of global sustainability objectives. At Rio+20, Dow advanced sustainable development through tangible commitments and dialogues around policy, green chemistry and the economic value of ecosystem services.

“As the world reflects on 20 years of progress and addresses the need to build a more sustainable future, the role of business is vital,” said Neil Hawkins, Dow’s vice president of Sustainability and Environment, Health & Safety. “With more than 95 percent of all goods sold enabled by chemistry, Dow people and technology will contribute to global progress with our steadfast commitment to innovation and collaboration that delivers solutions to the world’s major challenges.”

At Rio+20, Dow pledged to make further progress on its breakthrough collaboration with The Nature Conservancy, measuring the business value of ecosystems services by:

• Establishing a second pilot site in Santa Vitória, Brazil;
• Analyzing impacts and dependencies on ecosystem services in the region—specifically related to crop production, freshwater, forest habitat, erosion control and nutrient retention; and
• Publishing a second annual Progress Report.

Dow leaders collaborated with customers and participated in sessions on natural capital, innovation, green chemistry, and chemicals policy.

Neil Hawkins, Dow vice president of Sustainability and EH&S speaks at the Corporate Sustainability Forum in Rio
Dow People Make a Difference on Earth Day

Dow joined more than 1 billion people across the globe in elevating awareness of the importance of protecting our planet on the 42nd Annual Earth Day. From educational sessions and community events, to volunteering on clean-ups and implementing recycling programs, Dow employees engaged in a variety of activities around Earth Day and around the world.

On April 23, Dow and the Chippewa Nature Center in Midland hosted an Earth Day presentation and nature learning event for the community, Dow employees and the University of Michigan students and staff. The featured presenter was Don Scavia, U-M Professor and Director of the Graham Environmental Sustainability Institute.

Earth Day is a great time of year to think about our own personal commitments to protecting the planet. Dow people around the world took action in their local communities and in their jobs to be agents of positive change. Dow continues to point our people and our innovation engine squarely at solving environmental and social challenges. In addition to specific Earth Day site activities that took place throughout April, several recent Dow initiatives are advancing the company's commitments to its 2015 Sustainability Goals through strategic investments and collaboration. These include:

- Expanding the Sustainability Innovation Student Challenge Award – Doubling the number of participating schools worldwide.
- Participating in the Fortune Brainstorm Green Conference – Working with other leaders today, to envision solutions for tomorrow.
- Founding of the Dow Sustainability Fellows Program with the University of Michigan – Supporting 300 graduate and postdoctoral scholars across many disciplines developing new solutions.
- Participating in the Great American Cleanup – Joining 4 million volunteers in local communities.
- Hosting an Environmental Fair at Pittsburg, California, Operations – 30 Dow volunteers engaged more than 500 fourth-grade students in half-day workshops to learn about wetlands, habitats, earth sciences, pollution and more.
- Launching a New Global Waste Recycling Program – Reducing the amount of non-hazardous post-consumer waste entering landfills and working to eliminate waste received wherever possible.
Innovations for Tomorrow

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

Light Weighting Vehicles with Carbon Fiber Composites

Cutting the weight of new cars and trucks by up to 750 pounds by the end of the decade is a key component of Ford Motor Company’s strategy to improve fuel efficiency. In order to help achieve that goal, Ford is partnering with Dow Automotive Systems to research the use of advanced carbon fiber composites in high-volume vehicles. The joint development effort will also leverage work that Dow has already begun through partnerships with Turkish carbon fiber manufacturer AKSA and the U.S. Department of Energy, Oak Ridge National Laboratory. Read more about this on dow.com (http://www.dow.com/news/all-news/article/?id=/company-news/ford-and-dow-team-bring-low-cost-high-volume-carbon-fiber-composites-next)

CTO Receives Malcolm E. Pruitt Award for Collaborative Innovation

The Council for Chemical Research (CCR) honored William F. Banholzer, Ph.D., Dow’s Executive Vice President and Chief Technology Officer, with the 2012 Malcolm E. Pruitt Award. The award is dedicated to the recognition of individuals in the industry whose efforts demonstrate exceptional contributions to the development of chemistry-related sciences. Banholzer has been recognized for his dedication to furthering collaboration between industry and universities and his persistent efforts to increase funding for research within the chemical industry. In 2011, Dow announced an investment of $25 million over 10 years with 11 leading universities in the United States to strengthen research in traditional scientific fields important to Dow and to the nation’s future. Read more about this on dow.com (http://www.dow.com/news/company/article/?id=/company-news/dow-cto-recognized-malcolm-e-pruittaward-stimulating-collaborative-innov)

World Water Day 2012: Helping to Solve the Global Water Crisis

Across the world, 2.3 billion people live in water-stressed areas – and this number will increase to 3.5 billion by 2025. Dow develops innovative technologies and collaborative solutions to help solve the global water crisis, preserve and restore the world’s water supply and ensure access to clean water. Dow Water & Process Solutions is addressing the world’s water scarcity challenges through its advanced water purification technologies and expertise. World Water Day is an opportunity to elevate awareness and share ideas and solutions for providing clean, safe and sustainable water supplies. Visit dowwaterandprocess.com to view our interactive global water issues map and subscribe to our water whitepaper series exploring regional issues. Read more about this on dow.com (http://www.dowwaterandprocess.com/news_events/news/2011/20110322a.htm).

Vinyl Compounds Made With Dow Ecolibrium™ Bio-based Plasticizers

Innovative vinyl compounds — made flexible with plasticizers from renewable resources — will provide the performance advantages of conventional vinyl, have a smaller carbon footprint than alternative plastics like polyolefins or polyurethanes, and may be more cost-efficient than “green” biopolymers. BioVinyl™ flexible vinyl compounds incorporate phthalate-free DOW ECOLIBRIUM™ Bio-Based Plasticizers. Teknor Apex has been granted the exclusive right to market vinyl compounds containing Dow’s new product in North America for certain applications, including consumer and industrial products, automotive components, certain medical devices, and certain wire and cable uses. BioVinyl™ compounds are even less dependent on fossil fuel-based feedstocks than conventional flexible vinyl, resulting in products that are based on 60 percent renewable resources. By replacing petrochemical-based products, ECOLIBRIUM™ Bio-Based Plasticizers help reduce greenhouse gas emissions by up to 40 percent, meaning that a 1 million pound [450 metric ton] application reduces emissions equivalent to removing 63 automobiles from the road annually, or the equivalent of 35,600 gallons of gasoline.
Biodegradable EcoSense™ Surfactants for Shampoos and Body Washes Launched

Dow Personal Care recently launched EcoSense™ Surfactants, a new line of naturally biodegradable surfactants for use in personal care applications. EcoSense Surfactants are 100 percent vegetable-originated. They have been developed to provide optimum performance in shampoo and body wash applications and offer excellent foaming and rinsability in formulations. To meet the increasing demand for “natural” personal care products, we used extracts from corn starch and palm kernel oil to develop products that offer brand owners a quality, naturally derived surfactant to enhance their formulations. Creating this plant-based family of surfactants allows us to help formulators create mild shampoos and body wash formulas, without sacrificing the feel of plush, foamy washes that today’s consumers prefer. Read more about this on dow.com (http://www.dow.com/personalcare/news/pressreleases/2012/20120417c.htm).

Global Water Technology Development Centre on Spain’s “100 Best Ideas” List

Dow Ibérica’s Water & Process Solutions business has been named as the developer of one of the 100 Mejores Ideas (‘100 Best Ideas’) in Spain. The winning project was Dow’s creation of the Global Water Technology Development Centre, which was inaugurated in Tarragona in 2011. The Centre was selected as one of the most innovative ideas in the Environment category, because of its contributions to benefit society. This award acknowledges the innovative way in which Dow uses technology to increase Sustainability and resolve one of the most pressing challenges in the world today – how to ensure a sustainable supply of clean drinking water.

Partners for Change

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

Sharing Best Practices with Universities to Increase Lab Safety

Dow is working with top universities to launch programs focused on improving safety, awareness and practices throughout their various departments and colleges. The safety partnerships reinforce Dow’s commitment to advancing research and development at leading U.S. universities. In support of the company’s goal to support breakthrough technologies and ensure a strong pipeline of scientific talent for the nation’s workforce, Dow announced in October 2011 that it would invest $25 million each year for 10 years among 11 leading academic institutions. Now, work is beginning with pilot projects at University of Minnesota and Pennsylvania State University. The programs leverage Dow’s strength in creating and sustaining a culture of safety in our labs — a culture that centers on driving behavior toward incident prevention, with a high level of employee engagement. Read more about this on dow.com (http://www.dow.com/news/all-news/article/?id=/company-news/dow-share-laboratory-safety-expertise-university-minnesota) or (http://www.dow.com/news/corporate/2012/20120522a.htm).

Dow and The Nature Conservancy Announce 2nd Pilot Site in Brazil

Dow and The Nature Conservancy (TNC) announced that they are teaming with Santa Vitória Açúcar e Álcool Ltda. (SVAA), a joint venture between Dow and Mitsui & Co. Ltd. to utilize SVAA’s Santa Vitória, Brazil, site as the second pilot site location of their collaboration. SVAA will construct the world’s largest integrated plant for the production of biopolymers from renewable sugar cane, including the use of waste biomass to power the plant. This pilot affords the opportunity to understand how Dow’s operations will rely on and impact nature, and to develop approaches that deliver sustainable solutions to a variety of local and global challenges. Dow and TNC have demonstrated how the work can benefit local communities and society at large by improving decisions about agricultural lands, ensuring access to clean water, creating natural habitats, and informing people about the protection and restoration of vital forests. Read more about this on dow.com (http://www.dow.com/news/corporate/2012/20120613a.htm).
**Strengthening Environmental Education in India**

Environmental education has become a critical part of the education system in India over the last five years. With so many environmental issues emerging, a majority of the teachers do not feel fully equipped to teach the subject. Dow India, in collaboration with Trailblazers, launched “Multiply the Message” — a first-of-its-kind initiative to help equip environmental science teachers with the knowledge, methodology and tools to teach this subject.

Key objectives of the program are to:
- Clarify concepts of environment.
- Share various approaches teachers can use in the class room.
- Help teachers to Multiply the Message!

**Unilever’s Innovation Award for Packaging Solutions**

Recently, Unilever recognized Dow’s Performance Plastics Division with the 2012 Winning Through Innovation Award for innovative packaging solutions in our Personal Care portfolio during the recent Partner To Win supplier’s event in London, England. Dow’s award-winning entry, “Winning Through Innovation In Packaging: Reducing the Environmental Footprint By Using High Performance Bi-Modal Resins For Personal Care Packaging,” reflects the ongoing successful collaborative efforts between Dow and Unilever. Dow worked with Unilever to redesign their packaging by adjusting Dow Continuum™ EP Polyethylene Resins used for production. By reducing the amount of plastic used to make the company’s recyclable packaging, we continue to help Unilever move closer to achieving its sustainability goals and business objectives.

**Calling for a Blue Revolution at Green Week**

Over 41 million people in Europe are without access to safe drinking water, and 85 million lack access to sanitation. By 2030, the demand for water will exceed supply by over 40 percent, while the demand for electricity will double, as it takes water to produce energy and energy to produce water. Dow called for a Blue Revolution at the 12th edition of Green Week, the biggest annual conference on European environmental policy, which took place from May 22 to 25 in Brussels. The 2012 edition of Green Week attracted some 3,160 participants from government, business and industry, non-governmental organizations, academia and the media.

**Chinese Delegation Engages on Collaboration and Innovation for Tomorrow**

Executives from The Dow Chemical Company, the director of land conservation for the Pennsylvania chapter of The Nature Conservancy (TNC), and 15 professors and business executives from China gathered together to listen to presentations on innovation and collaboration and to learn from each other. The Chinese delegation included distinguished professors from the Central Party School — an educational institution where senior Chinese officials debate and form policies that address China’s most pressing issues. Dow executives spoke about breakthrough products Dow has brought to market or is working to commercialize in the next few years. TNC representatives discussed how they have successfully partnered with corporations and governments around the world to protect ecosystems and cooperate on a range of sustainability issues. Read more on www.wideanglethinking.com.

**Rio Sustainable City Project**

Dow is the most recent company to partner with the Rio Sustainable City Project, an effort led by the Brazilian Corporate Council on Sustainable Development. Rio Sustainable City promotes urban infrastructure and social transformation mobilizing government, businesses and residents to improve the quality of life in poor communities. Along with Hydronorth, Dow will offer training programs to people living in the communities of Babilônia and Chapéu Mangueira, so that residents can learn to apply Dow’s “Telhado Branco®” (Reflective Cool Roof Coating), a solution recently made available through the Eco line of sustainable products and acrylic coatings. In addition to promoting thermal comfort by reducing the temperature within houses by 5°C, the product helps prevent moisture and growth of mildew and algae. This effort integrates a key area of focus of the project: Sustainable Housing Improvement.
Strong, Lightweight Carbon Fiber Products Save Weight and Resources

Recently, Dow Europe Holding BV and Aksa Akrilik Kimya Sanayi A.S. (AKSA), a world-leading acrylic fiber company, announced the official formation of DowAksa Advanced Composites Holdings BV (DowAksa), a joint venture (JV) to manufacture and commercialize carbon fiber and derivatives. Very strong and lightweight, carbon-fiber based materials are used in a variety of applications in growth industries where weight savings, emissions reduction, durability and energy efficiency are key performance factors. DowAksa will develop and market a broad range of products and technical service support in the rapidly expanding carbon-fiber composites industry globally. The carbon fiber composites industry is estimated at $10 billion globally and is expected to reach $40 billion by 2022. AKSA will bring cost-effective solutions to industrial market applications for energy, transportation and infrastructure globally. Read more about this on dow.com (http://www.dow.com/news/all-news/article/?id=/company-news/dow-and-aksa-announce-formation-joint-venture-carbon-fiber-and-derivati-0).

Advancing Sustainable Building and Construction in Dubai

Dow Advanced Materials and Dubai Central Laboratory (DCL), a division of Dubai Municipality, recently signed a Memorandum of Understanding (MoU) to partner on initiatives that drive sustainable building and construction in Dubai through joint research programs, training and technical support. Dow will collaborate with DCL to provide technical assistance on interior air quality and energy efficiency, with the aim to develop standards and test methods for waterborne, volatile organic compounds, formaldehyde-free and abatement coatings, reflective roof coatings and exterior thermal insulation composite systems. Research, testing and certification will take place at a dedicated space in DCL’s Green Materials Testing Laboratory. Dow and DCL will also collaborate on research and development training, joint studies and technical workshops to build industry awareness on sustainability.

Gaudí-Gresol Award Recognizes Social Projects

The Gresol Foundation presented Dow Chemical Ibérica with the Gaudí-Gresol Award in its Social Action category on June 8th. It is the sixth edition of the prestigious award, which recognizes excellence in people and companies that have displayed outstanding performance in a variety of fields. This award marks the Gresol Foundation’s recognition of work in social initiatives, underlining Dow’s far-reaching contributions in all areas of corporate social responsibility.

Supplier Sustainability Training Program Launched in Brazil

Dow works to develop sustainable solutions for the market and has increased sustainability throughout its supply chain with the recent launch of the Dow Sustainability Training Center. This pioneering effort, created in partnership with UniEthos, will offer a development program focused on Social and Environmental Responsibility for company suppliers. The Center has launched its supplier-focused program, with the main goal of incorporating social responsibility and sustainability in Dow’s supply chain for suppliers aligned to the company’s sustainability guidelines and current market trends.

Marine Conservation Program Clears Nine Tons of Waste in Kuwait

As part of Dow’s global commitment to protecting the planet, the Dow Marine Conservation Program has made a significant contribution towards cleaning and protecting Kuwait’s fragile marine habitats, which are natural nesting grounds for migratory birds, turtles and other marine species. The program conducted 36 beach and island clean-ups during a one year period with the collective participation of 400 volunteers from Dow, schools, universities, non-profit groups, embassies and the wider community. As a result, over nine tons of waste was collected from across 84,000 square meters of shoreline. Dow’s Marine Conservation Program is the lead corporate program of Al Yaal, Kuwait’s first nationwide marine conservation initiative developed by en.v, a local organization promoting social responsibility in the Arab world.
White House Roundtable on Sustainable Supply Chain

Dow was invited to share its supply chain expertise at a White House roundtable discussion on March 30. Hosted by the White House Council on Environmental Quality and the General Services Administration, the roundtable discussion focused on how to apply industry best practices to the federal government’s $500 billion per year spend to further promote sustainable procurement practices throughout the global supply chain. Dow was among a small group of “recognized industry thought leaders” invited to the White House. Other industry participants included Unilever, Cargill, Coca-Cola, Lockheed Martin, SAP, Dell, IBM, HP and Microsoft. Read more about this on dow.com (http://www.dow.com/news/all-news/article/?id=/company-news/dow-joins-white-house-roundtable-sustainable-supply-chain).

Innovation Scholarship in India Launched by Dow AgroSciences

Dow AgroSciences (DAS) India recently launched a new scholarship program named “Dow AgroSciences Innovation Scholarship” to support research and talent in the field of agricultural sciences including entomology, plant pathology, plant breeding, genetics, agronomy and seed science. The scholarship will provide access to university programs, develop collaborative projects and advance agricultural research efforts. Dow entered into partnership with University of Agriculture Sciences and Govind Ballabh Pant University of Agriculture and Technology initiating scholarships for Master’s and Ph.D. students. Partnership with agricultural universities builds productive relationships and evidence of our commitment to develop talent and expand research to address the challenges of feeding a growing population.

Smart Solutions for Today

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

Solar Shingles Awarded Gold for Best New Product

The DOW™ POWERHOUSE™ Solar Shingle was awarded Gold for Best New Product by the internationally-renowned 2012 Edison Awards™. Made in the USA, and backed by a 20 year warranty from The Dow Chemical Company, the POWERHOUSE™ Solar Shingle is a revolutionary new roofing solution that combines the performance and protection of a conventional asphalt roof with an integrated photovoltaic system that powers the home and saves the homeowner money. It is designed to install, look and function in a way that has never been done before, and has received seven performance and safety certifications ensuring its performance as both a roofing and solar product. Dow Solar recently announced product availability for homeowners in Colorado, northern California and central Texas through their authorized dealer network. Product availability in additional markets will occur as 2012 progresses. Read more about this on dow.com (http://www.dow.com/news/company/article/?id=/company-news/dow-powerhouse-solar-singles-awarded-gold-best-new-product-edison-awards).

Green Chemistry Conference

On June 21 – 23, Dow sponsored the 2011 Green Chemistry and Engineering Conference held in Washington D.C. The theme for 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. Attendees included chemists, engineers, researchers, policy analysts, manager/directors, venture capitalists, chemistry and engineering students who are committed to reducing or eliminating the use of hazardous substances. As innovators, these individuals strive to apply green chemistry across the life cycle of a chemical product, including its design, manufacture and use. Dow employees were involved in both presenting technologies and attending many of the conference sessions.
R&D 100 Awards Recognize Dow for Polymeric Flame Retardant

The editors of R&D Magazine recently selected Dow as one of the winners of the 50th Annual R&D 100 Awards, which salute the 100 most technologically significant products from the past year. The award spans industry, academia and government-sponsored research. The Dow Building & Construction research and development team was recognized for their work to create a new, highly effective, advanced flame retardant.

Nonwovens Technology Reduces Formaldehyde

Dow announced the introduction of its new technology platform for RHOPLEX™ ECONEXT™ Acrylic Binders for the North American hygiene and medical market. This series of low and ultra-low formaldehyde binders allows companies an opportunity to manufacture end-use nonwoven products with minimal levels of formaldehyde and comply with the industry’s most stringent standards. These products can be used in re-usable and disposable nonwoven applications and are particularly useful in environments that might be formaldehyde sensitive, including hospitals, schools, LEED certified buildings and manufacturing facilities. Read more about this on dow.com (http://www.dow.com/news/all-news/article/?id=/business-news/dow-launches-nonwovens-technology-platform-rhoplex-econext-acrylic-binder).

New Production Facility for Manufacturing Solar Films

Recently, Dow broke ground at its Schkopau, Germany, site for a new production facility to make ENLIGHT™ Polyolefin Encapsulant Films. Dow offers a number of commercial grades of ENLIGHT™ Films and customer-specific formulations. These films provide greater module stability and improved electrical performance compared to traditional encapsulants, reducing waste and shortening production times for module manufacturers by up to 30 percent. Manufacturers of solar panels can make products faster and cheaper, lowering consumer prices for solar systems. The investment will also strengthen Dow’s research and product development in the growing solar market.

Vision Zero Home Now Open to Public

Vision Zero is a net-zero energy home, located in Midland, Michigan. It uses about 60 to 70 percent less energy than a conventional home, with the balance of its energy needs supplied by renewable technologies. It’s not just a dream — it’s a reality, right in the mid-Michigan area. Vision Zero is the culmination of a partnership between The Dow Chemical Company and Cobblestone Homes, a mid-Michigan building contractor. The home was built using a variety of insulation and sealant materials from Dow to produce a tight, energy-efficient “building envelope,” or outer shell. Then photovoltaic and geothermal technologies, including the new DOW™ POWERHOUSE™ SolarShingle, were incorporated to power the home.

Sustainability Education Center Teaches Recycling

Thanks to a partnership for change in a small Texas community, students and residents now have the opportunity to recycle their paper, plastic, aluminum and cardboard, while learning about the concepts of sustainability and recycling. On May 5, 2012, students and community members in Port Lavaca, TX, celebrated the opening of the Dow Sustainability Education Center, which features fun and educational displays to help people learn about the importance of recycling and sustainability. In additional to hands-on displays of the recycling process and recycled products, the Center showcases local industries and demonstrates how their products are manufactured responsibly. The Dow display demonstrates the life cycle of plastics including interactive elements and samples of plastic products used in everyday life.

Employees Plant Trees Near Moscow for Beautification and Education

Dow employees in Russia initiated a “Plant a Tree Campaign” in Ramenskoye, where Dow has a coatings manufacturing facility. The project is aimed at supporting the efforts of local government and environmental organizations to beautify the neighborhood and elevate awareness of the importance of protecting our planet and carefully managing natural resources. Dow volunteers, together with local officials, planted trees and tied ribbons. Each ribbon contained the name of a person who participated in the ceremony and planted a tree.
Insulation Products Receive Cradle-to-Cradle Recertification
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, STYROFOAM® Brand Extruded Polystyrene (XPS) Foam Insulation received recertification at the silver level and THERMAX® Insulation achieved a basic recertification. This certification provides a strong indication of a product’s comparative value when looking at energy efficient solutions. Read more on dow.com (http://building.dow.com/media/news/2012/20120327a.htm)

Miller Homes and Dow Building Solutions Deconstruct Duplex to Educate
Central New York builder, Miller Homes, announced the opening of a deconstructed duplex designed to educate the public and industry on the importance of high performing homes. The company collaborated with Dow Building Solutions and CDH Energy, to build an educational, energy efficient, deconstructed duplex. The ENERGY STAR® rated duplex is divided into two parts. Half of it is finished and serves as a model home, while the other half showcases structural components and building envelope technologies from Dow. Open framing, rough electrical, heating, insulation and air-sealing can be seen. 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 on dow.com (http://building.dow.com/media/news/2012/20120313a.htm)

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.

The Nature Conservancy Honors Dow as Corporate Conservation Leader
Dow was recently recognized as a Corporate Conservation Leader by The Nature Conservancy (TNC) at their Global Gala on Wednesday, June 20, in New York City. This honor acknowledges the dedicated collaboration between Dow and TNC to incorporate nature’s value into global business goals, decisions and strategies. The Dow-TNC collaboration is constructing a monumental bridge that will be crossed by others, giving them access to new models, new tools, and new practices for determining the value of nature to the bottom line of a business.

Dow Named One of “China’s Top 100 Green Companies 2012”
Dow Greater China was recently ranked among “China’s Top 100 Green Companies 2012” at the Annual Summit of China Green Companies in Beijing. The listing acknowledges Dow’s contributions to sustainable development in China. The annual list, aimed at promoting business sustainability, was initiated in 2010 by the China Entrepreneur Club, an organization that engages business elites from domestic and multinational companies in China. The list recognizes companies for their sense of responsibility and commitment to sustainability. The rankings followed evaluations of nearly 1,000 companies operating in China, including multinational companies, local private companies, and state-owned enterprises. The 2012 list ranked the companies for the first time on a cross-industry index in addition to the key industry index.

Liveris Receives Inspired Leadership Award from The Performance Theatre
Andrew N. Liveris, Dow’s Chairman and Chief Executive Officer, recently received the 2012 Inspired Leadership Award, a recognition that honors visionary leaders who combine outstanding business performance with values and behaviors that strengthen the human and natural environments in which their organizations operate. The award was announced in London at the annual gathering of The Performance Theatre, which brings together CEO and chairmen with other leaders and thinkers from across disciplines, geographies and philosophies. Its purpose is to debate ways of creating a new model for growth, generating value across not just quarters but generations, for both business and society as a whole. Read more on dow.com (http://www.dow.com/news/all-news/article/?id=/company-news/andrew-liveris-presented-inspired-leadership-award-performance-theatre-0).
New Global Waste Recycling Program
Dow recently launched a new, expanded and more effective Global Waste Recycling Program. The program separates and recycles more non-hazardous post-consumer waste from labs and offices, captures and recycles more non-hazardous waste streams from production sites, and minimizes the amount of incoming waste to Dow facilities, avoiding it if possible. The program is being piloted in select buildings at the Midland Corporate Center and the Houston Dow Center. The program is aligned with Dow’s EVERGEEN initiative, which is a grassroots, employee-driven program that emphasizes the small actions we can all take every day to make a big difference together – both in helping the environment and saving money.

Corporate Responsibility Magazine’s 100 Best Corporate Citizens
Recently, Corporate Responsibility Magazine announced its 2012 100 Best Corporate Citizens list, ranking Dow at 34. The ranking places Dow amongst the world’s leading companies in areas such as environment, climate change, human rights, employee relations, corporate governance, philanthropy and financial.

Collaboration on a Green Solution for Pollution in the Philippines
Dow Philippines, in partnership with Dow Kokam, is working to convert gasoline-powered tricycles to “e-trikes,” significantly reducing pollution. An estimated 3.5 million gasoline-powered tricycles constitute the “base of the pyramid” of transportation modes in the Philippines. Local government has pledged $500 million dollars to convert public utility vehicles from gasoline and diesel, and shift to alternatives like natural gas, electricity and hybrid engines. Even though rechargeable lithium ion batteries are costlier, older tricycles that operate on gasoline are more than twice as expensive to operate in the long run and emit high levels of carbon dioxide. In addition to the lithium batteries from Dow Kokam, this partnership will bring other solutions from Dow’s materials portfolio to help the e-trikes reach increased levels of safety and performance. The first batches of e-trikes powered by Dow Kokam’s batteries are expected to hit Manila’s roads by the end of August, 2012.

Union Pacific Recognizes Dow with Chemical Transportation Safety Award
Union Pacific Railroad recognized Dow with its 2011 Chemical Transportation Safety Pinnacle Award. This honor recognizes Union Pacific customers that have implemented successful prevention and corrective plans and achieved zero non-accident releases (NARs) during their 2011 shipments of regulated hazardous materials shipments. The safe handling and transportation of our products is a top priority for Dow. The Pinnacle Award is a testament to the hard work and dedication of our employees. It also reflects the commitment to Dow’s 2015 Sustainability Goals of Local Protection of Human Health and the Environment and Product Safety Leadership. Read more about this on dow.com (http://www.dow.com/news/corporate/2012/20120601b.htm).

President's Award from Institute for Health and Productivity Management
The Institute for Health and Productivity Management (IHPM) recently presented its 10th Annual President’s Award to Dr. Catherine Baase, MD, Chief Health Officer for Dow, at its 12th Annual International Health & Productivity Conference in Orlando, Florida. Dr. Baase also spoke at the conference on the global theme of “Expanding the Rationale for a Better Health Future.” Dr. Baase is a visible and vocal leader of the international corporate community in promoting the value of investing in employee health as a human capital asset that produces a measurable return in lower medical costs and improved productivity,” said Sean Sullivan, President and CEO of IHPM, who presented her with the award. Read more about this on dow.com (http://www.dow.com/news/corporate/2012/20120403a.htm)
Gold Level Safe Handling Award from Canadian National Railway

Dow received the prestigious Gold Level 2011 Canadian National Railroad (CN) Safe Handling Award. The award is presented to CN customers who meet strict standards for the safe handling and shipment of hazardous materials. The Safe Handling Awards were launched in 1992 and are aimed at making CN the safest railway in North America. For Dow, that amounted to zero non-accident releases in more than 4,200 rail tank car shipments of hazardous materials in 2011. Dow has set high standards for safely handling products, and this award recognizes the hard work and dedication it takes to meet those standards. We are committed to the principles of Responsible Care®, and we continuously strive to achieve our vision of zero accidents, injuries or harm to the environment. Read more about this on dow.com (http://www.dow.com/news/corporate/2012/20120605a.htm).

Germany's Drive for Electromobility

Dow locations in Germany are now using seven "Karabag new e500" electric cars for internal transport within the major German sites, including Stade, Bormitiz and Central Germany. Dow provides a wide range of key technologies and products for use in sustainable transportation and is an industry leader in both the development and use of these innovative electric vehicles. The positive political framework in Germany supports Dow’s efforts that show how Dow products and practices are driving toward a better future.

Drive to Zero Launches New “LIVE IT” Campaign

Dow is refreshing the Drive to Zero campaign with a new LIVE IT theme to reinvigorate safety performance. The campaign refresh will be implemented globally from June through September at the site level and will touch everyone at Dow. LIVE IT reflects a new phase in Dow’s journey toward zero injuries and incidents – one that makes EH&S more personal and meaningful than ever before. The new campaign badge will have a unique option for employees to personalize it with a photo that reflects their own reason to LIVE IT. This helps employees connect on a personal level about the importance of safety. The success of Drive to Zero depends on the ability of each of us to rally around the vision of an incident-free workplace, healthy communities and a healthy planet for future generations.

Sites in Europe Recognized for Sustainability and Safety Excellence

Three Dow sites recently received accolades in recognition of their responsible practices. The French Chemicals Industry Association recognized performance at the Lauterbourg plant with the Responsible Care for the Environment Award for a soil remediation project. In Switzerland, the Horgen site was recognized for the second time by the Swiss Private Sector Energy Agency for its efforts to reduce carbon dioxide emissions. In Poland, Dow Electronic Materials received an award for its excellent health and safety record.

Tech Center Wrap Awards

Reducing waste, improving energy efficiency, and advancing technology at Dow are critical enablers to achieving competitive advantage. Every year, the Technology Center and Waste Reduction Always Pays (WRAP) award program recognizes the outstanding work of Dow teams around the world who demonstrate excellence in implementing new technology, leveraging existing technology and reducing waste. This year, 1,019 people working on 159 projects received Tech Center/WRAP awards for projects in 2011. The winning projects represent a wide variety of innovative processes and technologies in areas such as emissions reduction, yield improvement, improved reliability, asset utilization and energy conservation. These projects capture value by better utilizing existing resources and will deliver an estimated net worth of $3 billion dollars realized over the next 10 years.
Goal Updates

Sustainable Chemistry

The percentage of sales from Dow products that are Highly Advantaged by sustainable chemistry increased from 4.3% in 2010 to 4.8% in 2011. Most of the 2010 Highly Advantaged sales remained highly advantaged for 2011, and as a group their sales grew by an impressive 27% from 2010 to 2011. Highly Advantaged sales new for 2011 were achieved due to improved manufacturing efficiency for some sales, and growth in sales with sustainable chemistry advantages for other sales. A series of business review meetings was conducted with businesses having sales that are close to becoming highly advantaged. This engagement with business leadership continues to help further integrate sustainability into business discussions.

The Sustainable Chemistry Index (SCI) increased to 21.8 for 2011. The aggregate scores of sales with environmental and social benefits continued to increase from 2010 performance, and the manufacturing efficiency score recovered some of the ground lost in the previous year. The SCI continues to be an important point of discussion during business strategy reviews, as business interest and engagement around the SCI has reached unprecedented levels.

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 $25 billion and 5,300 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.

2015 Goals

- Increase the percentage of sales to 10% for products that are highly advantaged by sustainable chemistry
- Maintain absolute greenhouse gas emissions below 2006 levels.
- Reduce our energy intensity 25%
- Use 400 MW of clean energy by 2025

2015 Goal

- Increase the percentage of sales to 10% for products that are highly advantaged by sustainable chemistry
Excellence in Energy Efficiency Recognized
Dow has been recognized for excellence in energy efficiency by the American Chemistry Council (ACC) with five Responsible Care awards for outstanding achievements in energy efficiency. Two of the five projects received additional recognition for exceptional merit.

Recent examples of success include:
- St. Charles Operations, in Hahnville, Louisiana, improved the energy efficiency of its olefin unit’s flaring operation by 45 percent, saving 555,481 MM BTU/year. Exceptional Merit Award.
- Ringwood, Illinois, cut its energy consumption by 56,000 MM BTU/year from 2010 to 2011 by optimizing the utility footprint of the site.
- Texas Operations in Freeport, Texas, implemented a new reactor design to manufacture low density polyethylene, reduced process energy intensity by 11 percent, saving 67,200 MM BTU/year. Exceptional Merit Award.
- Texas City Operations, in Texas City, Texas, improved the hydrogen enrichment of a flare stream, reducing energy consumption by 60 percent for an annual savings of 50,000 MM BTU/year. The conversion from natural gas to hydrogen enrichment using Dow’s patented process decreases the supplemental fuel requirement and energy used, while reducing the greenhouse gases generated.
- Texas City Operations, in Texas City, Texas, optimized flare fuel gas, creating energy savings of 155,000 MM BTU/year—a 28 percent reduction in fuel gas use within its vinyl acetate monomer plant.

Fueling a Manufacturing Renaissance – Dow’s Energy Leadership in Action
Due to the recent discoveries and development of domestic shale gas, natural gas prices are affordable and relatively stable in the U.S. Competitive U.S. natural gas is fueling hundreds of thousands new jobs and billions of dollars in new investments, creating a once-in-a lifetime opportunity for a U.S. manufacturing renaissance. As one of the world’s largest industrial producers of energy and a substantial consumer of natural gas as both an energy source and a raw material, Dow is an influential leader in the energy arena and a strong advocate for manufacturing competitiveness throughout the world.

Dow sees natural gas as an essential raw material that fuels investment in U.S. manufacturing. Using natural gas as a raw material in petrochemical manufacturing to make products for cars, appliances, housing, medicines and thousands of other uses creates eight times the value compared to simply burning natural gas for fuel or harvesting it for export. Dow believes that if natural gas vehicles make sense, the low price of the fuel relative to gasoline and diesel fuel will be a sufficient incentive to convert – no tax subsidies are needed. Government incentives that drive up demand for natural gas, coupled with other policies that constrain supply, are a recipe for a return to the high and volatile process that damaged U.S. manufacturing in the last decade.

The outlook for advantaged U.S. natural gas was a significant factor behind Dow’s decision to invest $4 billion to grow our ethylene and propylene production capabilities in the U.S. Gulf Coast region. The promise of affordable natural gas has also been a key driver for many recent investment announcements from other U.S. manufacturers that rely on natural gas, such as the fertilizer, steel and aluminum industries. It is important for the manufacturing sector to work with government to ensure they don’t enact policies that artificially accelerate natural gas demand ahead of supply. Dow encourages governments to re-invest in manufacturing to secure more jobs and increase exports of manufactured goods. Natural gas markets will function best if government avoids actions that restrict supply while promoting increased demand. The U.S. government recognizes the need to create more jobs, increase exports and decrease our dependency on foreign oil. This can all be done with re-investment in manufacturing.
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 3,436 BTU/lb, or 82.5% of the value in 2005. Dow’s actual performance through Q2 2012 was 4,067 BTU/lb, which is 97.7% of the 2005 baseline.

**Greenhouse Gas Reduction**

**Absolute Greenhouse Gas Emissions as CO₂ Equivalent**

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.

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.

**Intensity of Kyoto GHG as CO₂ Equivalent**
At the end of 2Q 2012, 420 Product Safety Assessments (PSAs) had been posted at www.dowproductsafety.com. This exceeds the goal to have 407 PSAs posted in total by the end of 2012. Sales Covered by Assessments has dropped slightly due to changes in sales and business structures.

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.

Omega-9 Oils Named First Breakthrough to World Challenges

Dow has declared its Omega-9 Healthy Oils a breakthrough to world health challenges. Since 2005, the Omega-9 Oils have helped eliminate more than 1.5 billion pounds of trans and saturated fats from North American diets.

Omega-9 Oils have zero trans fat and the lowest amount of saturated fat among the most common cooking oils, including corn, cottonseed, palm, peanut and soybean oils. Many processed foods still contain unhealthy levels of trans fats and high levels of saturated fat. Omega-9 Oils, developed by Dow AgroSciences, are a critical step in addressing world health problems related to nutrition and lifestyle — and another example of Dow innovation pointed squarely at the most pressing issues of our time. In order to be considered a “breakthrough to world challenges,” Dow scientists and stakeholders put the Omega-9 Oils, made from NEXERA™ canola and sunflower seeds, through a rigorous evaluation, scrutinizing the product’s positive impact on human lives and its minimal environmental impact. Read more at www.omega-9oils.com.

Contributing to Community Success

Dow’s 2015 Goal of Contributing to Community Success goes well beyond just relationship building in communities where Dow has a presence. This comprehensive process seeks to find a balance between the needs in a Dow community and Dow’s rightful role to address these needs.

As we approach the halfway point of the goal, we continue to show positive progress within our data. As of the 2nd Quarter, we have completed five remeasures at the following sites; Pittsburg (CA), Terneuzen (Netherlands), Midland (MI), Stade (Germany), Rhine Center (Germany/France). Remeasures are also underway in Freeport (TX) and St. Charles (LA) and will be completed before the end of 2012.

The Rhine Center was the most recent site re-measured against its baseline survey in 2008 and revealed excellent progress toward its goal. The Rhine Center consists of two sites, one in Drusenheim, France, and the other in Rheinmünster, Germany. Both sites worked together to engage their communities by developing an overall community success plan to address the needs of their respective communities. Major programs, projects, and a greater sense of awareness by the communities were key factors in raising the positive impression throughout both sites.
As we move forward, we continue to engage additional Dow sites around the world in an effort to implement community success plans. This process, while not as comprehensive as our pilot sites, allows for any site to build upon the best practices we have learned over the last several years. Many sites, such as; Philadelphia (PA), Bristol (PA), Newark (DE), Map Ta Phut (Thailand), Tarragona (Spain), United Kingdom and Ireland, have taken advantage of this design and have begun to develop and implement their own community success plans. Working with our communities in building successful plans to address quality of life issues has truly become the foundation by which we measure our progress as well as generate positive impressions of Dow throughout our communities.

2015 Goal

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

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 recordable injury and illness rate.

At the end of Q2, the Injury and Illness rate was 0.19 per 200,000 hours of work. This is a 37% improvement compared to 2011. The 2015 Goal of 0.12 per 200,000 hours is a 75% improvement from 2005.
At the end of Q2 2012, the Injury and Illness Severity rate was 0.65 per 200,000 hours of work. This is 40% 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 Q2 of 2012, the company had experienced 129 Loss of Primary Containment incidents. When annualized, the implied total of 258 incidents for 2012 is slightly under target for the year. The 2015 Goal of 130 or fewer incidents is a 90% reduction from 2005.

At the end of Q2 of 2012, the company had experienced 6 Process Safety Incidents. When annualized, the implied total of 12 incidents for 2012 would be a considerable improvement over an excellent performance in 2011. This would also be below the 2015 goal to experience 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 Q2 of 2012, the Severe MVA incident rate was 0.17 accidents per million miles driven. This is unchanged from the rate last 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 Q2 of 2012, Dow had experienced 10 Hazmat Transportation Loss of Primary Containment events. When annualized, the implied total for 2012 is 20, in line with our goal but slightly above last year’s performance. 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 Highly Hazardous materials, we 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.

Tonne-Miles Annualized indicates that we would experience about 700 million tonne-miles for 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.
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, and to share your comments or submit questions.

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.