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Driving Energy Efficiency for Households in Russia to Help Sochi 2014 Deliver Games with Minimal Climate Impact

Delivering on its commitment to enable the Olympic and Paralympic Winter Games in Russia with minimal impact on climate, Dow – the Official Carbon Partner of the Sochi 2014 Organizing Committee – recently launched an innovative program in partnership with a strategic customer. The program will help to enable substantial reductions in greenhouse gas (GHG) emissions over the next decade, targeting buildings and households within the Russian Federation. All of the GHG emissions savings generated by this partnership will contribute toward efforts to mitigate the carbon footprint associated with the XXII Olympic Winter Games and XI Paralympic Winter Games 2014 in Sochi.

First, tailor-made VORATHERM™ Polyurethane Systems produced by Dow Izolan in Vladimir, Russia, enabled incorporation of a less GHG-intensive blowing agent into the formulation for Profflex’s polyurethane straw- and gun-foam insulation products. This replacement will result in a reduction of the product’s carbon footprint by over 500,000 metric tons (MT) of CO₂ equivalent emissions over the next two years.

Second, Dow launched in June a consumer-facing campaign in Russia to promote domestic usage of polyurethane-based insulating sealant in window installations. The aim is to reduce sources of cold air infiltration, making residences more energy efficient and enabling lower energy consumption throughout the country. In an unprecedented initiative in Russia, 100,000 cans of insulating foam sealant will be provided free of charge to homeowners who decide to replace obsolete windows with new ones that utilize proper insulation technology. Each can of insulating foam helps reduce GHG emissions by at least 3 MT over ten years.

From now through October, 2013, more than 130 leading window replacement companies in all regions of Russia will be involved in this project. Through this innovative program led by Dow, Russian homeowners can save money on their energy bills, improve comfort and significantly lower GHG emissions – while contributing to the sustainability goals of the Sochi 2014 Organizing Committee. Read more.
Roy Family Award for Environmental Partnership

The John F. Kennedy School of Government at Harvard University recently announced that the collaboration on valuing ecosystem services between Dow and The Nature Conservancy (TNC), is the winner of the 2013 Roy Family Award for Environmental Partnership. The award is presented every two years to celebrate an outstanding public-private partnership project that enhances environmental quality through novel and creative approaches.

Ecosystems provide valuable services for communities and companies. Measuring the value of water, land, air, oceans, plants, and animals to a company or community is difficult, and as a result, business decisions are often made without taking natural assets into account. The Dow-TNC collaboration takes a science-based, measurable approach to help companies understand how to incorporate the value of nature into the business decision process. The ecosystem services framework has long been hailed by academics as a viable mechanism for valuing nature, but has not been practically applied – until now.

Scientists from TNC and Dow are working together at selected Dow pilot sites to implement and refine models that support corporate decision-making by taking into consideration the value and resources that ecosystem services provide. The collaboration recently completed its first pilot at Dow’s facility in Freeport, Texas, the company’s largest manufacturing facility; and is currently in the midst of the second pilot in Santa Vitoria, Brazil. A major goal of this collaboration is to produce results and findings that are replicable and transferable to other sites. In addition, most of the methodologies, tools and results will be shared publicly with the hope that other companies, non-governmental organizations and governments can make use of them as well. Read more.
**New Tools for Weed and Insect Management**

Monsanto and Dow AgroSciences have reached new cross-licensing agreements for creation of the next generation of advanced weed and insect control technology in corn. Monsanto will license the herbicide-tolerant trait of ENLIST™ Weed Control System from Dow AgroSciences for use in field corn, and Dow AgroSciences will license Monsanto’s third-generation corn rootworm technology, Corn Rootworm III, which offers a new mode of action for rootworm control. The agreement paves the way for introduction of next-generation products that build off the current SmartStax® platform. This creates a first-time opportunity to bring together three different modes of action for below-ground insect control in a corn product. Read more.

**Building the Case for Green Infrastructure**

Experts from Dow, Shell, Swiss Re and Unilever, in collaboration with The Nature Conservancy published a white paper recommending that green and hybrid infrastructure solutions should become part of the standard toolkit for modern engineers. Green infrastructure employs elements of natural systems instead of traditional, man-made infrastructure, which can include examples like creating oyster reefs for coastal protection and reed beds that treat industrial wastewater. The research team evaluation concluded that hybrid approaches utilizing a combination of green and gray infrastructure may provide optimal solutions to improve overall business resilience. Read more.

**Klosin Awarded 10th Annual SCI Gordon E. Moore Medal**

The Society of Chemical Industry will award the 10th annual SCI Gordon E. Moore Medal to Dr. Jerzy Klosin, Research Fellow at Dow, in September. The Medal recognizes early-career success in innovation, as reflected both in market impact and improvement to quality of life. Dr. Klosin is being recognized for his outstanding contributions to the advancement of industrial chemistry in the discovery, scale-up, and commercialization of a new generation of catalysts. Klosin’s catalysts are used in the production of several important polyolefins, including ELITE™ Enhanced Polyethylene Resins, AFFINITY™ GA Polyolefin Elastomers, ENGAGE™ Polyolefin Elastomers, INFUSE™ Olefin Block Copolymers, and NORDEL™ IP Hydrocarbon Rubber. They enable the creation of wholly new polymer architectures – so called “designer polyolefins” that can be tailored to help streamline processes and significantly improve the energy efficiency of production. Read more.

**Innovations for Tomorrow**

We contribute to the sustainability of society and our planet by developing innovative technologies for current and future markets.
Dow Signs Deal with The Energy Conscious
Dow Building Solutions will offer its wide range of weatherization products through a distribution agreement with The Energy Conscious, a fast-growing e-marketplace for energy-efficient and sustainable products to do-it-yourself trade professional and reseller clients. The Energy Conscious will serve as Dow’s authorized online distributor, through a specially designed Dow portal that will include product information, energy-saving ideas and weatherization action plans. Read more.

Collaboration with South China University of Technology
Dow Microbial Control and the School of Chemistry and Chemical Engineering of South China University of Technology signed a collaboration agreement to build research teams, strengthen technology innovation and develop talent. Dow will work with the university on talent development, research design and the commercialization of research results and will set up a program to select students from the university for Dow internships. The two will also exchange expertise and facilitate the sustainable development of microbial control technology.

Promoting Safety in the Future Chemical Workforce
Dow recently unveiled the beta version of the Dow Lab Safety Academy, a digital learning environment that shares Dow’s best-in-class industrial safety culture and practices in a quick and accessible format. It includes dozens of videos featuring lab safety guidelines for a variety of real-life scenarios, grouped under four lab safety categories. The website also provides a collection of useful resources like a chemical reactivity worksheet and an incident alert template, which help promote best practices for safety. Explore the Dow Lab Safety Academy. Read more.

Sinha Recognized for Leadership by Society of Automotive Engineers
Kaustav Sinha, an associate scientist in the Polyglycols, Surfactants & Fluids Research & Development team at Dow, has been awarded the 2013 Stefan Pischinger Young Industry Leadership Award by the Society of Automotive Engineers. The award is given to individuals under the age of 35 who have significant career accomplishments and show potential for leadership growth in industry. The award recognizes Sinha's sustained leadership and contributions in the development of polyalkylene glycol-based automotive lubricants that demonstrate improved fuel efficiency relative to conventional systems. Read more.

DowAksa Expands Investment in Carbon Fiber Production
Dow and Turkish partner Aksa Akrilik Kimya Sanayii are planning $1 billion in carbon-fiber investments over five years through the DowAksa joint venture. The venture is in talks with two companies in Russia, Rusnano and Prepreg-ACM, and the Nanotechnology Center for Composites, to invest in supplying carbon-fiber derivatives. DowAksa has 3,600 metric tons of carbon fiber production capacity in Turkey. The material is used by a variety of industries, including automobile manufacturing, energy, medicine and aviation. Read more.

Advancing Sustainability in Spain
During a two-day working session at the Tarragona site in Spain, Dow leaders worked with politicians, academics and employees, on critical sustainability issues facing the region and collaborative approaches to solving them. Participants toured facilities, learned about recent success and innovation during a number of workshops and discussions. The event also saw the dedication of the Cerebral Palsy Center of La Muntanyeta – and recognition for a local student’s achievement. The included various meetings with high-level government officials to discuss unique challenges and opportunities in Spain.
Partners for Change

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

Sustainability Education with Junior Achievement China

Dow Greater China and Junior Achievement China have once again partnered to bring sustainable development concepts to students at the Chengdu Zongbei School. Dow volunteers shared their thoughts on sustainable development and brought an ultrafiltration sample to demonstrate Dow’s “Green Ideas.” Forty-five students learned how to select green products and how Dow helps customers produce sustainable products. Since launching the “Our City” program in Chengdu last year, hundreds of local students have been afforded the opportunity to learn about environmental awareness and sustainability. Dow was recently honored with the “20th Anniversary Partnership Award” from the organization for its ongoing dedication and support for sustainability education. In September, “Our City” will become official curriculum of the local school system in Beijing.

Supporting Science and Sustainability Education in Taiwan

In May, two educational programs Dow supports – the Little Writer Contest of the Hope Reading program and the Taiwan Competition of Entrepreneurship for Sustainability – hosted recognition ceremonies. Operated by the Commonwealth Magazine Foundation, the Hope Reading Program encourages primary school students in remote areas to become more engaged with reading, especially science-related books. Dow has also sponsored National Cheng Chi University’s Competition of Entrepreneurship for Sustainability since 2012.

Summit to Scale Social Enterprises in East and West Africa

The Acumen Fund recently joined forces with Dow, The Coca-Cola Co. and Standard Chartered Bank to host the Technical Assistance Initiative Summit in Nairobi, Kenya. This initiative aims to accelerate the development and distribution of crucial products and services in agriculture, water, sanitation and energy across East and West Africa. The Summit brought together 10 social enterprises in Acumen’s portfolio from across East and West Africa, and the collaboration represents an important opportunity to create shared learning and open dialogue on how best to support local economies and address societal needs in Africa at a time of significant business growth. Read more.

Ukrainian Junior Water Prize

Dow continues to support the All-Ukrainian Junior Water Prize, which seeks to help educate the next generation of young scientists and raise awareness about the scarcity of clean water. The contest is part of the Stockholm Junior Water Prize and involves more than 30 countries. This year’s contest welcomed senior pupils from all over Ukraine to the National Technical University as part of a week-long program celebrating World Water Day. Student contest submission papers included topics such as: the environmental problems of water reservoirs and treatment technologies; groundwater conditions; technology impact on water resources; the efficient usage of water resources; and non-standard water treatment methods. The participant’s papers were evaluated by a panel of experts as part of the competition and students learned about a wide range of sustainability issues, including the scarcity of clean water, various aspects of ecological impact and the role of technology to improve outcomes.

Sustainable Coatings in Latin America

Aiming to drive the discussion about major topics related to sustainability in the coatings market, Dow Coating Materials and DuPont held a special forum to address crucial topics for the sector’s sustainable growth. At the event held in São Paulo, Brazil, global experts from both companies introduced the trends regarding local and international regulations on the emission of Volatile Organic Compounds (VOCs), in addition to the concept of a product’s life-cycle assessment. The event was attended by more than 70 executives including customers, members of area associations, and government and regulatory partners.

Partners for Change

We are leaders in advancing all aspects of sustainability, openly collaborating with customers, suppliers, communities, civil society and governments.
Building with Habitat for Humanity in 13 Asia-Pacific Communities
Dow will join Habitat for Humanity to build homes in 13 communities in the Asia Pacific region this year, to support sustainable and affordable housing for local, underprivileged families. The build activities will occur throughout the year in eight countries: China, India, Vietnam, Thailand, Indonesia, Philippines, Korea and New Zealand. The announcement of these plans occurred during a three-day Habitat Youth Build activity in Guangdong, China, with 30 Dow employees teaming up with 200 other volunteers to help families build and renovate homes.

United Arab Emirates Green Building Program
Exterior insulation systems can have a significant impact on the energy efficiency and interior comfort level of buildings. In the Middle East, the market is still new but growing, as government bodies consider additional regulations for new buildings. Recently, Dow and Caparol – a leading German manufacturer of building protection systems, paints, insulation technologies and other building products – partnered to share their expertise on External Thermal Insulation Composite Systems at an event hosted by the Emirates Green Building Council. The Middle East, particularly the Gulf Cooperative Council (GCC) region, is an especially attractive market for these systems, as they can reduce a building’s energy consumption up to 40%.

Sponsoring Competition to Aid U.S. Disaster Survivors
The American Institute of Architects recently announced a strategic partnership with Make It Right, St. Bernard Project and Architecture for Humanity to launch “Designing Recovery,” an ideas competition to aid in the rebuilding of more sustainable and resilient communities. The competition is designed to help survivors of three recent natural disasters and is focused on finding solutions that promote economic recovery in the United States. Dow is sponsoring the award, providing building science expertise, technical advice, and products to help make these solutions a reality.

Advancing the Employee Non Discrimination Act
Dow recently joined experts from legislative and civil rights organizations to discuss the advancement of the Employee Non Discrimination Act and why it needs to remain a top priority for both the lesbian, gay, bisexual and transgender (LGBT) and broader business community. The National Gay and Lesbian Task Force and Freedom to Work partnered with Dow for the live webinar, which was hosted and moderated by Out & Equal Workplace Advocates, the world’s largest nonprofit organization specifically dedicated to creating safe and equitable workplaces for the LGBT community.

Entrepreneurial Businesses with Societal Benefits
Sponsored by The Dow Foundation and hosted by University of California – Berkeley, The Global Social Venture Competition provides a forum for student entrepreneurs from around the globe to showcase their emerging technology and business ideas to positively impact society. The goal is to inspire students to build and scale start-up businesses with significant real-world social impact. Top business plans in the 2013 competition include a new antibacterial, anti-mosquito soap that helps prevent malaria; inexpensive water pipelines that can provide fresh water to remote Chilean villages; and a process to make cooking fuel from biomass char, allowing Haitians to cook their meals while reducing deforestation and improving air quality.
Smart Solutions for Today
Our technologies enable our customers, and their customers, to develop more sustainable products and services.

100% Recyclable Frozen Food Pouch
Dow recently collaborated with Tyson Foods and Printpack to create a 100% recyclable polyethylene pouch for frozen chicken for sale in Mexico. Frozen food packaging typically requires multi-material films with high tear strength and puncture resistance, cold-temperature tolerance, barrier properties for freshness, as well as excellent optics for bright printing. The polyethylene recyclable pouch can help Tyson increase market share and drive sustainability by providing its customers with a convenient and easily recyclable package.

Water-Based Wetting Agent for Low and No VOC Formulations
Dow recently announced the launch of TRITON™ HW-1000 Surfactant High Performance Wetting Agent in North America. The surfactant meets growing performance needs for water-based formulations to meet low- and no-Volatile Organic Compound (VOC) regulatory requirements while also addressing industry requirements for faster processing. TRITON HW-1000 Surfactant is relevant to a broad range of applications, including coatings, printing and inks, metalworking fluids, cleaning, agrochemicals and adhesives. Read more.

FILMTEC™ ECO Reverse Osmosis Elements Reduce Energy Use and Chemical Consumption
Dow recently introduced FILMTEC™ ECO Reverse Osmosis (RO) Elements combine new membrane chemistry and low dP feed spacers to help deliver notably lower energy costs and reduced chemical consumption, when followed by a mixed-bed ion exchange unit. The innovative product delivers up to 40 percent lower salt passage and uses 30 percent less energy than standard RO elements. Plants that switch from conventional reverse osmosis elements to the new technology are likely to experience improved economics with less impact on the environment.

First Seeds Sold to Increase Agricultural Productivity in India
April 24, 2013, will be remembered as the day Dow AgroSciences Seeds, Traits & Oils platform made its entrance into the seeds business in India with a first sale for D4141, a single cross non-genetically modified corn. The India seeds industry is estimated at 90,000 tons per year. D4141 will advance farmers’ access to the best germplasm and increase productivity, which increases the farmers’ income and helps produce more food to feed our growing world.
**Naturally Derived EcoSense™ 3000 Surfactant Launches**
Dow recently announced the launch of EcoSense™ 3000 Surfactant, further demonstrating the Company’s commitment to innovating sustainably advantaged solutions designed to meet consumers’ evolving preferences. This new offering provides formulators another readily biodegradable surfactant for use in shampoos and body washes. The EcoSense family of products is based on coconut and palm oils, contains no added sulfates or preservatives, and offers excellent foaming and mildness in formulations. Consumers are increasingly demanding products based on natural, plant-based ingredients that meet their needs without compromising performance. Read more.

**FILMTEC™ ECO Recognized in China**
Dow recently received the membrane products award for FILMTEC™ ECO Reverse Osmosis Elements at the opening ceremony of Aquatech China 2013. The product was chosen for the membrane product award for the water filtration industry as a result of the elements’ improved uptime and reduced chemical use for utility providers. The element has been widely received in China as an outstanding, breakthrough product that will improve the quality of life for its customers as part of Company efforts to solve real-world water scarcity issues.

**Pipe-in-Pipe System Designed to Revitalize Aging Potable Water Pipelines**
Dow and RS Technik established a global marketing alliance to promote a unique solution for large potable water lines by setting a new standard in the renewal of pressure pipes. In cooperation with Inland Pipe Rehabilitation, the companies will begin to install the innovative pipe-in-pipe system. The trenchless process is based on a unique fiberglass composite tube that is installed into damaged transmission lines, creating a new pipe inside the existing one. It provides municipalities and water utility managers with an attractive structural solution for repairing water mains, while minimizing the economic, social and environmental impact of infrastructure modernization. Read more.

**FILMTEC™ Water Filtration Elements Improve Drinking Water Quality in Homes**
Dow recently launched FILMTEC™ Reverse Osmosis membranes that can process 75 and 100 gallons per day of home drinking water. This new offering helps remove contaminants that can lead to health risks and reduce impurities like calcium, magnesium and iron. The membranes are Dow’s latest innovation to facilitate potable water that tastes better, smells better and has fewer impurities to help bring clean drinking water to homes in water-stressed areas.

**PRIMAL™ Acrylic Emulsion Wins Technology Innovation Award**
PRIMAL™ Stain-Resistant Acrylic Emulsion recently received the 2013 Ringier Technology Innovation Award for the Coatings Industry. This new offering is a next-generation, high-performance waterborne acrylic copolymer emulsion designed for premium, interior, easy-to-clean decorative coatings. It provides excellent scrub resistance and washability, enables resistance to household stains, and helps maintain the brightness of interior walls while also boasting an enhanced environmental profile. It contains no formaldehyde or formaldehyde generators, which helps enable better protection of the environment and human health.
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.

Sixth Consecutive GRI Reporting A+ Rating

Dow recently issued its 2012 Global Reporting Initiative (GRI) Sustainability Report with its UN Global Compact Communication on Progress. Dow utilizes GRI’s reporting guidelines to communicate the Company’s sustainability efforts and achievements. Through a consistent and balanced summary on progress toward Dow’s 2015 Goals, this report underscores the Company’s commitment to address social and environmental challenges through chemistry and innovation. For the sixth year in a row, the report achieved an “A+” designation. The ‘A’ signifies that the report reaches the highest level of completeness, and the ‘+’ assures stakeholders of the report’s accuracy through verification by an external third-party. The GRI framework assists reporters in basing their communication on the following principles: balance, comparability, accuracy, timeliness, clarity and reliability. Read more.

Cooperative Agreement to Improve Rail Safety and Security

Dow and Union Pacific have published a new report on the progress of a cooperative agreement that began in 2007 to improve rail safety and security. The Memorandum of Cooperation outlines goals in eight critical areas of the chemical supply chain, with key innovations for event prevention and response planning, railcar designs and tracking. The report provides a detailed update on the progress for each of the eight goals, including an extensive description of the successful Next Generation Rail Tank Car Project, which offers up to three times better safety and security performance than existing rail cars. Read more.

2012 TRANSCAER® National Achievement Award

For the 5th consecutive year, Dow is the recipient of the 2012 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. Scott Etzel received the Regional TRANSCAER® Achievement Award, and Rollie Shook and Mike Stephenson received Individual Achievement Awards for their support of the TRANSCAER® initiative. In 2012, Dow participated in six major for over 850 participants in 13 locations through nine states.

2013 Tech Center/ WRAP Awards

Reducing waste, improving energy efficiency, and advancing technology are critical enablers to achieving competitive advantage for Dow. Every year, the Technology Center and Waste Reduction Always Pays (WRAP) award program sponsored by Dow Operations recognizes teams around the world that implement new technology, leverage existing technology and reduce waste. This year, 1,090 people working on 154 projects received awards.

2013 Texas Environmental Excellence Award

Dow’s efforts to bring employees, community and government stakeholders together to collaborate on more holistic approaches to water management were recognized with a 2013 Texas Environmental Excellence Award. Dow Texas Operations in Freeport received the award for a series of water conservation and improved utilization projects implemented in 2012 that are expected to save up to 9,900 gallons per minute of water – a 10 percent reduction in water use at the site. The award also recognized Dow’s project with the City of Lake Jackson to use a treated wastewater stream.
Top Philadelphia Corporate Citizen

Dow recently joined with more than 300 Delaware Valley business and civic leaders to be recognized as one of the top 25 corporate citizens in the region at the Philadelphia Business Journal's 2013 Corporate Philanthropy Summit. This recognition was due to Dow's substantial investment in the community, including the advancement of STEM education, support of major public events promoting education and collaboration, employee volunteerism, and leadership roles in organizations like United Way and Habitat for Humanity.

CSX Chemical Safety Excellence Award

CSX, a leading U.S. railroad company, recently honored Dow with the 2012 Chemical Safety Excellence Award, which recognizes leadership in chemical safety. It is given to companies that ship more than 600 carloads of hazardous materials during the year with zero releases due to shipper error. Dow has earned this award several times, reflecting the Company's commitment to keep our sites, communities and the environment safe. Read more.

Responsible Care® Chairman’s Award in China

The first-ever Responsible Care® Chairman’s Award in China was presented to Dow by the Association of International Chemical Manufacturers. The award acknowledges the outstanding contributions of its member companies to support and promote Responsible Care in China’s chemical industry. Dow’s 2015 Sustainability Goals, bold leadership, operational excellence, actively sharing best practices and support of sustainability education were cited as accomplishments driving the award.

Two Awards Recognize Environmental Leadership and Innovation

The annual Chemical Industry Association Awards recently recognized Dow Formulated Systems’ mercury replacement program with finalist status in two of its most competitive categories – Environmental Leadership and Innovation. Dow decided to eliminate the use of phenylmercury catalysts from its portfolio and now only offers mercury-free formulations.

Enhancing the Sustainability of Baseball

In October, the Great Lakes Loons baseball team and their home field, the Dow Diamond, announced a corporate partnership with Dow and Dow Corning to enhance their sustainability practices. Recently, the Loons released their 1Q report, detailing efforts made to reach the ambitious goal of reducing energy used, water used and waste generated by 50 percent by 2020. Highlights include a new composting program for food waste that will reduce landfill waste and dependence on fertilizer products, as well as the installation of LED lighting and occupancy control sensors that will result in the reduction of approximately 6,445 kilowatt hours and lowering carbon dioxide emissions by approximately 15,588 pounds-per-year. Read more.

Skimmers Swoop in for Open House

Community members had the unique opportunity to see Black Skimmers and their chicks up close in late June at Dow Texas Operations’ annual Black Skimmer Open House. The event provides the rare chance to view one of the largest nesting colonies of these birds on the Texas Gulf Coast in the middle of one of the world’s largest petrochemical complexes. There are currently about 1,400 birds at the location with an additional 100 gull-billed terns. The open house educates people about the skimmers and the importance of coastal habitat preservation.

Steve Elliot, CIA Chief Executive
Goal Updates

Sustainable Chemistry

The 2015 Goal for Sustainable Chemistry is to increase to 10% the percentage of total Company sales that are highly advantaged by sustainable chemistry, as measured by Dow’s Sustainable Chemistry Index (SCI). The SCI is updated annually and involves assessing sustainability attributes of the Company portfolio at a detailed level. In 2012, the SCI increased from 21.8 to 22.0, and the portion of Company revenue that was from Highly Advantaged products grew to 7.1%, up from 4.8% as measured for 2011 – the largest ever year-over-year increase. A significant number of opportunities have been identified towards enabling additional products to be “highly advantaged,” and the team is working to further integrate these opportunities into the business strategies.

Highly Advantaged Sales

2015 Goal

- Increase the percentage of sales to 10% for products that are Highly Advantaged by sustainable chemistry

Addressing Climate Change, Energy Efficiency and Conservation

In the first quarter of 2012, Dow added an absolute Greenhouse Gas (GHG) commitment to our own Climate Change goal: Maintain GHG emissions below 2006 levels on an absolute basis. Dow will find ways to grow, but without growing GHG emissions. Related to this additional metric to manage our Dow’s footprint, Dow is investing in the development of a Net Impact Tracking Tool, a technique that will sharpen the Company’s focus on the full life-cycle benefits of our products. A sustainable energy future requires constant manufacturing efficiency improvement, while maximizing the contributions of products to improve efficiency and expand the availability of 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 the Company and our customers.

2015 Goal

- Maintain absolute greenhouse gas emissions below 2006 levels
- Reduce our energy intensity 25%
- Use 400 MW of clean energy by 2025
Dow has reduced energy use by 20% (120 trillion BTUs) since 2005; however, we do not expect to achieve the level of performance we anticipated when our Energy Intensity (BTUs/lb produced) goal was established. Dow's products can lead to significant energy reductions for our customers, and virtually every industry becomes more efficient through what we make and do. However, the Company is shifting toward higher-value, more technology-driven specialty products that are by nature more energy-intensive, and operating rates have also been reduced to match demand due to the global economic crisis, resulting in less efficient asset use.

By 2015, Dow has a goal to achieve an additional 25% improvement in Energy Intensity, with average Energy Intensity for the year 2005, adjusted for mergers and acquisitions, used as the basis for calculating performance. Dow's goal for Energy Intensity for the full year of 2013 is 3,323 BTU/lb, or 80% of the value in 2005. Dow's actual performance through Q2 2013 was 4,137 BTU/lb, which is 99.6% of the 2005 baseline.

Dow's goal is to maintain Greenhouse Gas (GHG) emissions below 2006 levels on an absolute basis for all GHGs, thereby growing the Company without increasing our carbon footprint. Dow will continue to focus on managing Dow's footprint and delivering solutions to help 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.

Dow's energy efficiency and chemical-management efforts have significantly reduced the Company's GHG emissions footprint. As a result, Dow has prevented over 270 million metric tons of GHG emissions from entering the atmosphere since 1990, which is equivalent to the annual emissions of more than 16 million single family homes. The 2015 Goal objective to decrease GHG Intensity does not reflect Dow's absolute emissions performance, nor is it consistent with transformational aspirations to provide solutions that enable a sustainable energy future.

Since 2006, Dow has reported to the Carbon Disclosure Project (CDP), a not-for-profit organization working to understand the risks and to drive GHG emissions reduction from business. In 2012, Dow reported on its 2011 GHG performance and commitment to being a solution provider to the Climate Change challenge. The report scored 91 out of a possible 100 points, highlighting Dow's commitment to strong governance and complete disclosure through transparent Emission Reporting.
Product Safety Leadership

At the end of 2Q, 509 Product Safety Assessments (PSAs) had been posted to Dow’s product safety website, which now account for more than 89% of Dow’s annual revenue. Additionally, all of Dow’s 222 High Priority chemicals are now covered by a PSA. We are on track to meet our 2015 Goal to have a Product Safety Assessment publicly available for applicable Dow products.

PSAs are written for the lay public and cover topics such as basic hazards, exposure potential and risk management measures. They complement other product safety, handling and stewardship documents, which are part of the product responsibility package offered by Dow to strengthen relationships with communities and customers. Dow is dedicated to providing the public with accurate information and building trust as it uses technology to develop better products, and 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.

Avoided emissions resulting from the use of Dow products are important contributions to reduce the overall footprint of human activities. A Life Cycle Assessment documented that emissions saved by Dow insulation products are about seven times greater than total Company direct and indirect Kyoto and non-Kyoto GHG emissions. This calculation was made by quantifying the GHG emissions at all stages of the life cycle of the Dow insulation product and comparing these with the GHG emissions savings from the use of the insulation products in buildings and pipe systems.
Contributing to Community Success

Contributing to Community Success is a high priority for Dow, as all sites globally continue to develop strategies for identifying and fulfilling their rightful roles in their respective communities. There have been no remeasures since the last reporting, though, seven of ten major Dow sites have completed their remeasures to date, all showing positive improvement in quality of life.

The table shows global site progress to date, with plans underway for remeasures in Aratu, Brazil; Plaquemine, Louisiana; and Zhangjiagang, China.

Our City Program Shares Sustainability Story

Achieving our goal includes working directly with our communities in ways that meet local needs and enhance the quality of life. Employees at Dow China are championing a program that teaches third- and fourth-grade students about city life and the importance of sustainability. The Our City program, developed with Junior Achievement, is offered to school children and involves lectures, tools and games to help students learn how to design, create and maintain a sustainable city.
Dow began offering Our City in 2008 in Beijing, Shanghai and Guangzhou. By 2011, more than 1,300 company and college student volunteers had trained more than 400 teachers and offered Our City to more than 28,000 students from nearly 200 primary schools. Phase 2 of the project began in 2012, and saw the program extended to Zhangjiagang, as well as Dow-funded Project Hope Schools in Western China. Our City also includes an annual national-level Green Innovation Challenge competition open to all students who have finished the course. In 2012 alone, 27,963 students across China experienced the Our City program, pushing the total since 2008 to more than 55,000. This is just one example of the innovative ways Dow is contributing towards the success of our communities.

Community Success Outreach
Another important activity this year is the launch of the Community Success Process Guide and instructional video, which outlines the steps needed for any Dow site to engage with the Contributing to Community Success process. The process guide can be used by any site regardless of its location, size or reach and will offer best practices on implementing their own goals.

Local Protection of Human Health and the Environment
Dow leads the way across virtually every facet of environment, security, health and safety performance. In 1897, Dow was one of the first companies to introduce innovative protection equipment for workers. Today, Dow engages our neighbors through Community Advisory Panels and more. Dow’s “Vision of Zero” is a leadership attitude and a corporate culture that is committed to zero accidents, zero injuries and zero excuses.

Dow announced 2015 goals to achieve on average a 75% improvement of key indicators for Environmental Health & Safety (EH&S) operating excellence from a 2005 baseline. These indicators include personal injury/illness of Dow employees and contractors, loss of primary containment incidents, process safety, severe motor vehicle accidents, emissions and transportation-related incidents.

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%, and during the 2005 to 2015 timeframe, the goal is to achieve a similar reduction in the rate. Excellent progress is being made: Dow workers are now 15 times less likely to experience an injury or illness than the U.S. manufacturing rate reported for 2010.

At the end of 2Q, the Injury and Illness rate was 0.18 per 200,000 hours of work, a 14% improvement vs. 2012. The 2015 Goal of 0.12 per 200,000 hours is a 75% improvement over 2005 figures.
At the end of Q2 2013, the Injury and Illness Severity rate was 0.50 per 200,000 hours of work. This is 33% better than our performance in 2012 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 2013, the company had experienced 90 Loss of Primary Containment incidents. When annualized, the implied total of 208 would outperform 2012 results, and is on track towards the 2015 Goal of 130 or fewer incidents. The 2015 Goal is a 90% reduction from 2005.

At the end of Q2 2013, the company had experienced 5 Process Safety Incidents (PSIs). When annualized, the implied total of 10 incidents for 2013 would be a considerable improvement over an excellent performance in 2012 and remains below the 2015 Goal, which is fewer than 25 PSIs. PSIs are classified in terms of the new Center for Chemical Processing Safety and American Chemistry Council PSI definitions.
At the end of 2Q, the Severe Motor Vehicle Accident (MVA) incident rate was 0.11 accidents per million miles driven, a considerable improvement over 2012 and better than our target for 2015. The severe MVA rate was not measured in the heritage Rohm and Haas Company; the 2007-2009 values represent the heritage Dow population.

At the end of 2Q, Dow had experienced seven Hazardous Materials Transportation Loss of Primary Containment (LOPC) events, one classified as Highly Hazardous. When annualized, the implied total for 2013 is 17. 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, Dow reduces the chance of in-transit incidents that could impact communities and areas through which Dow’s products travel.

Annualized figures indicate that we would experience about 817 million tonne-miles shipped via road and rail. The goal for 2015 is to reduce these shipments to less than 705 million tonne-miles, representing a 50% reduction from the 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 also good for business.

Dow remains committed to continuously improving its performance and publicly reporting its progress. Please visit dow.com for the latest Dow sustainability, business and performance news, and to share your comments or submit questions.