

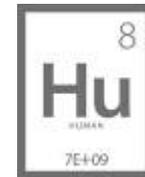


A Catalyst for Change

Dow's Approach to Sustainability

The Power of the Human Element At The Dow

Chemical Company, we view chemistry as the work of humanity. We believe the most important element of all is not found on the periodic table, yet is part of every equation for the future. This element is the Human Element. With it, we are more than a chemical company, we are a difference-maker in the world.





About Dow



A science and technology leader
with annual sales of \$54 billion

Founded in 1897 by Herbert H.
Dow in Midland, Michigan

Supplies plastics and chemical
products to customers in 160 countries

From 156 manufacturing sites in 37 countries

Employs 46,000 people globally

**“If you can’t do it better,
why do it?”
-- Herbert H. Dow**





The Element of Change



Our Vision is to be the largest, most profitable and most respected chemical company in the world.

Our mission is to constantly improve what is essential to human progress by mastering science and technology.

Sustainability requires making every decision with the future in mind. It is our relationship with the world around us – creating economic prosperity and social value while contributing to the preservation of our planet.



Sustainability



Integrated into our corporate strategy

 Drive Financial Discipline
And Low Cost to Serve

 Set the Standard
For Sustainability



 Invest for Strategic Growth

 Build a People-Centric
Performance Culture

A History Of Striving for Sustainability



- 1897 – Dow designs “Bleach Lifters Bonnet” protective unit
- 1906 – Dow partners with George Westinghouse to develop energy saving Co-Generation
- 1934 – Mammalian toxicology research laboratory established
- 1935 – First industrial use of bacteria to degrade phenolic waste
- 1948 – First full-time industrial hygienist
- 1967 – “War on BTUs” energy conservation program launched
- 1970 – Dow publicly commits to product stewardship role
- 1979 – Dow Chemical Foundation formed; supports science education
- 1986 – Waste Reduction Always Pays (WRAP) program launched
- 1987 – Dow commits to Responsible Care®
- 1991 – Corporate Environmental Advisory Council (CEAC) formed
- 1996 – Dow Executive Claude Fussler writes *Driving Eco Innovation*
- 1997 – Dow CEO Frank Popoff pens *Eco-Efficiency: The Business Link to Sustainable Development*



Sustainability Milestones



Through our first set of Sustainability Goals, our 2005 EH&S Goals, we have already:

- Saved over **\$5 billion** with a **\$1 billion** investment
- Reduced solid waste by **1.6 billion pounds**
 - Enough to fill 415 football fields one meter deep
- Reduced water use by **183 billion pounds**
 - Equal to water usage for 170,000 U.S. homes for one year
- Saved **900 trillion BTUs** of energy
 - Enough to power **8 million** U.S. homes for one year
- Reduced personal safety and health incidents by 84%



Continuing to make an Impact



Our Approach to Sustainability

- Sustainable Chemistry
- Breakthroughs to World Challenges
- Product Safety Leadership
- Local Protection of Human Health & the Environment
- Contributing to Community Success
- Energy Efficiency & Conservation
- Addressing Climate Change





Sustainable Chemistry



Sustainable chemistry is our “cradle to cradle” concept that drives us to use resources more efficiently to:

- Minimize our footprint
- Provide value to our customers and stakeholders
- Deliver solutions for customer needs
- Enhance the quality of life of current and future generations

Solutions

Breakthroughs to World Challenges



We are actively working toward, and committed to achieving, at least three breakthroughs by 2015 that will significantly help solve the challenges of:

- Adequate food supply
- Affordable housing
- Alternative energy
- Sustainable water supplies
- Improvements in personal health

Solutions



Product Safety Leadership



- We are the first chemical company to make non-technical language summaries of our product safety assessments accessible to the public on www.dowproductsafety.com.
- The assessments cover topics such as basic hazards, use, risk and risk management.
- We will complete evaluations, with third party process verification, on high priority products by 2010 and for all products by 2015.

Solutions

Local Protection of Human Health & the Environment



- We lead the way across virtually every facet of environment, security, health and safety performance.
- We were one of the first companies to introduce innovative protection equipment for our workers in 1898.
- We engage our neighbors through Community Advisory Panels.
- Our ***Vision of Zero*** is a leadership attitude and a corporate culture that is committed to zero accidents, zero injuries and zero excuses.

Citizenship

Contributing to Community Success



We are an engaged corporate citizen globally and locally. Where we have a major presence, we are collaborating with local businesses and citizens to help create stronger, safer and sustainable communities through:

- Engagement
- Establishing joint goals and plans
- Taking actions for the long-term success of all involved

Citizenship

Energy Efficiency & Conservation



We are one of the largest producers of innovative products that reduce energy use through:

- Building insulation applications
- Solutions for fuel-efficient vehicles
- Technology to enable wind power
- Integrated solar systems into building materials

Using 2005's Energy Intensity base to project what energy consumption would have been, efficiency and conservation improvements have yielded savings of over ***26 trillion BTUs and \$190 million...***

...and we continue to drive more efficiencies and conservation.

Footprint

Addressing Climate Change



- Since 1990, we reduced our absolute greenhouse gas (GHG) emissions by over 20%; ***more than required by the Kyoto Protocol.***
- Over 96% of products involve chemistry, so no one has more at stake – or the ability to impact – energy supply and climate change issues than we do.
- Our products, across our portfolio, reduce GHGs by multiples more than our own emissions on an annual basis.

Footprint

Energy Absorbing Foam Protects Drivers Environmental & Social Benefits

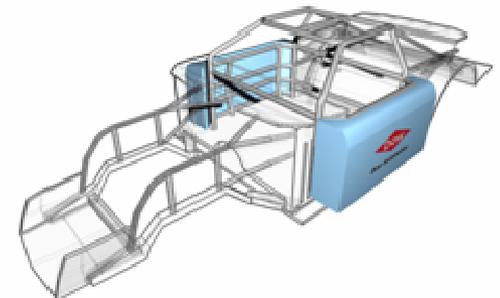
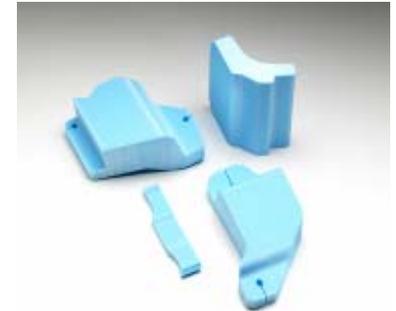


IMPAXX™ Energy Absorbing Foam

- Up to 30% more efficient than other foams
- Used in NASCAR “Car of Tomorrow” race cars
- Used on nearly 2 million passenger cars worldwide
- Consistent temperature performance
-40C to 80C
- Fast prototypes, low cost development, lower prices to drive customer cost savings

Sustainability Profile

- Recyclable
- Up to 50% lighter than competitive materials, offering weight savings and fuel efficiency



RENUVA™/soy-based polyols

Economic & Environmental Benefits



Natural oil-based polyols

Dow's technology:

- Eliminates odors typically associated with soy-based products
- Delivers processing and performance with high levels of renewable content

Sustainability Profile

- Greenhouse gas neutral
- Uses up to 60% fewer fossil fuel resources than conventional polyol technology



Sugar Cane to Polyethylene

Economic, Social & Environmental Benefits



Dow joint venture in Brazil

- Less fossil resources than traditional hydrocarbon processes
- Biomass (bagasse) produces heat, electricity and steam for ethanol, ethylene and polyethylene plants

Sustainability Profile

- Produces 1/7th the amount of CO₂
- Most “waste” is used in the process
- Harvesting rainwater
- Trees adjacent to fields reduce soil erosion
- Recyclable using existing infrastructure
- Economic development



Epichlorohydrin From Glycerine

Economic, Social & Environmental Benefits



Uses by-product of biodiesel process

Applications:

- Electronics
- Appliances
- Coatings
- Construction



Sustainability Profile

- Clean, simple
- Low cost, small footprint, low capital
- Waste water reduced by 70 percent



World-scale plant in China, 2010

Household Waste Water Use

Economic, Social & Environmental Benefits



Dow's Terneuzen, The Netherlands, site uses municipal household waste water

- Re-use of water previously discharged directly to the river
- Used twice at Dow

Sustainability Profile

- Almost 10 million liters of water per day
- 65% less energy than desalinating
- Sea water with the same membrane technology
 - Equal to lowering CO₂ emissions by 5,000 tons per year
 - Reduced need of chemical cleaning of membranes



Concept can be leveraged at other locations around the world

Committed to Sustainability



- Industry Leader on Dow Jones Sustainability Index
- ENERGY STAR Partner of the Year for 2008, U.S. Environmental Protection Agency
- More U.S. Presidential Green Chemistry Awards than any other company, U.S. Environmental Protection Agency
- Global Citizenship Award, The Whitehead School of Diplomacy and International Relations
- Award for Energy Efficiency, Alliance to Save Energy (ASE)
- 100% rating on the Corporate Equality Index, Human Rights Campaign
- Best Global Company Performing CSR in China, Foreign Investment in China Magazine
- New Freedom Initiative Award for our programs pertaining to people with disabilities, U.S. Department of Labor



Committed to Sustainability



- Awarded \$20 million in funding from the U.S. Department of Energy to develop next generation solar energy technology that can be directly incorporated into flexible building materials
- Indonesian Nehemiah Award, Habitat for Humanity
- Platinum Award for Healthy Lifestyles, National Business Group on Health
- “100 Most Technologically Significant New Products of the Year” for IMPAXX™, R&D Magazine
- “Safety Innovation of the Year” Award for IMPAXX™, Professional MotorSport World Expo
- Signatory of UN Global Compact, Caring for Climate and CEO Water Mandate
- Corporate sponsor UN Environment Programme Champions of the Earth & Business for the Environment Summit



Committed to Sustainability



- Joined with the UN Foundation and The Alliance to Save Energy to promote energy efficiency
- Active member of the U.S. Climate Action Partnership
- Supporter of Habitat for Humanity International since the early 1980s. Last year alone, Dow supplied building and construction materials for more than 3,000 Habitat for Humanity homes
- Founding member of Global Water Challenge for awareness of clean drinking water issues
- Working with Lawrence Berkeley National Labs and China's Energy Research Institute to improve the energy efficiency of small- and medium-sized companies in China
- Sponsor of the national pilot project with China's State Environmental Protection Administration recognizing the project's economic benefits of \$13 million, and reduced gas emissions, energy consumption, liquid and solid waste
- Helped Live Green, Live Smart's *The Sustainable House* achieve LEED Platinum Status

Committed to Sustainability



- Collaborative partner with China's State Administration of Work Safety for a national demonstration project on the safe management of hazardous chemicals promoting a better understanding and awareness among small- and medium-sized enterprises
- Collaborative partner with International Aid to provide 2.1 million pounds of plastic for 300,000 light-weight bio-sand filters giving 2 million people access to clean drinking water over the next 3 years
- Investor in Water Health International and provided \$30MM loan guarantee to help finance local water treatment systems and make clean drinking water available to 10 million people in rural India
- Dow Automotive is exclusive provider of energy absorbing foam solutions for NASCAR's new safety-driven "Car of Tomorrow" Project



Track our Progress



At Dow, we have always believed that the role of chemistry is to do more good in the world.

- We've set aggressive 2015 Sustainability Goals in **each** area of our sustainability program.
- Seen this way, the work of chemistry suddenly moves from focusing on the basics of business – products and bottom lines – to life itself.
- In short, we are committed – through chemistry – to the betterment of global humanity. And it is this commitment that drives all of our strategy for growth and profitability.
- Track our progress at www.dow.com/commitments

Responsibility Begins Here

“**Sustainability** begins at home, but its destiny is to engage the problems of the world. We will build on our company’s rich legacy of leadership in solving the world’s most pressing problems.”

-- Andrew Liveris,
Chairman & CEO
The Dow Chemical Company



References to "Dow" mean The Dow Chemical Company and its consolidated subsidiaries unless otherwise expressly noted