

2015 SUSTAINABILITY GOALS UPDATE

3Q 2009



Setting the Standard for Sustainability

Dow people are the world's best problem-solvers focusing on the world's biggest challenges. Our commitment to Innovations for Tomorrow, Partnering for Change, Smart Solutions and Responsible Operations delivers results that are good for business and good for the world.

Innovations for Tomorrow

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

Partners for Change

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

Smart Solutions

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

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.



Innovations for Tomorrow

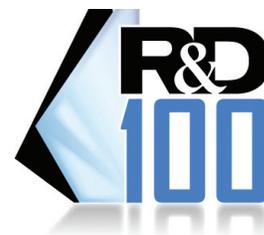


Dow Unveils Groundbreaking Solar Roofing Shingle

DOW™ POWERHOUSE™ Solar Shingles put the power of solar electricity generation directly and conveniently in the hands of homeowners. The game-changing photovoltaic solar panels in the form of roofing shingles can be integrated into rooftops with standard asphalt shingle materials. The innovative product design reduces installation costs because the conventional roofing shingles and solar generating shingles are installed simultaneously by roofing contractors. No specialized skills or knowledge of solar array installations are required. The solar shingle systems are expected to be available in limited quantities by mid-2010 and more widely available in 2011. [Read more about this on dow.com.](#)

INFUSE™ Olefin Block Copolymers Earn Prestigious R&D 100 Award

The Dow Chemical Company has recently earned the prestigious R&D 100 Award for INFUSE™ Olefin Block Copolymers (OBCs), a revolutionary block copolymer that delivers new-to-the-world technologies to adhesives and foams, enabling customers to continue to expand their preferred use of sustainable, recyclable olefin-based materials and to differentiate their products. INFUSE OBCs have been successfully positioned in targeted PVC replacement applications. They provide breakthrough performance in two key areas, catalyst technology and material performance. In the first area, Dow developed a catalytic block technology and patent-pending shuttling process that uniquely controls the hard and soft segments of a polymer chain. This enables OBCs to be made – for the first time – via a cost-effective continuous process, while providing outstanding design freedom. The resulting INFUSE OBCs offer highly differentiated material properties that break traditional relationships and create opportunity for customers. They offer, for example, the flexibility of polyolefin plastomers and elastomers along with the heat resistance of high density polyethylene – a combination previously not possible. [Read more about this on dow.com.](#)



Dow Launches BioPetroClean Water Treatment for Oil and Gas Industry

Dow has signed an agreement with BioPetroClean (BPC) to market the Dow BioPetroClean Water Treatment system to refinery and produced-water markets. This water treatment technology reduces many of the contaminants including total petroleum hydrocarbons in oil-contaminated water using customized bacteria and a nutrient package for specific applications, along with a control unit. This allows wastewater treatment plants to increase their reliability while producing less sludge that would go to a landfill. This technology not only contributes to solving the global water challenge, it helps companies reduce greenhouse gas emissions by reducing the amount of energy consumed from incinerating sludge, and by reducing the amount of sludge sent to landfills, where it eventually emits methane gas. [Read more about this on dow.com.](#)

Partners for Change

MEP, UNEP and Dow Join Forces in China

A pilot project aimed at boosting operational safety and emergency preparedness among chemical companies in China was launched at the Zhangjiagang Yangze River Chemical Park. The launch follows an agreement signed in 2008 by China's Ministry of Environmental Protection (MEP), the United Nations Environment Programme (UNEP) and The Dow Chemical Company (Dow). The pilot was launched at a workshop involving close to 30 chemical and petrochemical companies alongside local and regional authorities and community bodies. Companies participating in the pilot project stand to benefit from improved chemical safety, fewer accidents, safer production, fewer employee injuries, fewer environmental emergencies and improved preparedness of the local community, the local industry and its value chain/buyers. [Read more about this on dow.com.](#)

Dow Engaged in Pandemic Response and Assists in Annual Drill

Dow has been actively involved in responding to the H1N1 pandemic since early 2009. In this effort, Dow works cooperatively with public health authorities to establish and institute effective community response plans as well as those for Dow employees. In the U.S., which is currently the hardest hit by the H1N1 virus, Dow has given approximately 12,000 seasonal flu vaccines directly to Dow employees and is now providing the H1N1 vaccine as it is available. In a related story, the Bristol Township County Health Department requested permission to use the Dow Health Services Clinic in Bristol, Pennsylvania, as a community immunization center for their annual pandemic drill. The Dow location was one of four walk-in clinics that provided free vaccinations to more than 6,400 Bucks County residents.

Dow and Microsoft Challenge Students to Seek Sustainable Solutions for Energy Conservation

Dow and Microsoft launched the Dow Microsoft Sustainability Challenge, with energy efficiency and conservation as its theme.  High school and college students from educational institutions throughout Brazil can submit proposals for software or digital media (web video) referring to the optimal use of energy, helping to reduce energy intensity in various situations. The six best projects, three in each category, will be awarded in May 2010. The program is intended to spread concepts of sustainability among students and lead them to actively reflect on relevant issues related to the future of the planet. The Challenge was inspired by the Imagine Cup, an annual competition for students organized by Microsoft that incorporates the Millennium Development Goals as its theme. [Read more about this on dow.com.](#)

Latin America Leadership Teams Honored for Sustainability Contributions

For his focus on unleashing the innovative spirit of Dow Latin America to aggressively drive sustainability as a business imperative, Pedro Suarez, president of Dow Latin America, has been named the 2009 recipient of the H.H. Dow Sustainability Innovator Award. Established in 2008, the award recognizes exceptional creativity and solutions that Dow employees bring to support Dow's 2015 Sustainability Goals and solve world challenges. The Latin America leadership team has created a business climate of innovation, creativity and collaboration that has brought together customers, non-government organizations, and governments to seek common ground, building Dow's reputation and business across the geography as a result. Team members provided leadership impetus for Dow's first Sustainability Week in 2008, highlighted by the People, Planet, Future Sustainability Forum that brought together nearly 800 people from Argentina, Brazil, Chile, Colombia, Mexico and the United States. [Read more about this on dow.com.](#)

Dow Partners with Department of Energy's Save Energy Now LEADER Program

Dow has recently joined the U.S. Department of Energy's Save Energy Now LEADER program, a national initiative designed to promote greater energy security, lower carbon emissions and increased economic competitiveness among industrial companies. Save Energy Now LEADER companies voluntarily pledge to reduce energy intensity by 25 percent or more in 10 years, a target in line with Dow's own 2015 Energy Efficiency goal.

Dow Sponsors World Environment Center's Forum on Climate Change Policy

The importance of climate science was the key topic at the Dow-sponsored World Environment Center's Forum on Climate Change Policy held in August in Washington, D.C. Dave Kepler, Dow executive vice president and chief sustainability officer, opened the forum, which featured Dr. R. K. Pachauri, chairman of the United Nations Intergovernmental Panel on Climate Change (IPCC), as the keynote speaker. The IPCC is a scientific intergovernmental body tasked to evaluate the risk of climate change caused by human activity.

Dow Extends Collaboration on Global Product Strategy to Korean Ministry of the Environment

Continuing Dow's global commitment to implementing the International Council of Chemical Associations' (ICCA) Global Product Strategy and helping other companies and countries improve product stewardship, Greg Bond, Dow's corporate director of Product Responsibility, led a discussion on advancing chemical safety in Korea with the country's Ministry of the Environment and local chemical association leaders. Bond facilitated dialogue on how implementing the ICCA's Global Product Strategy and leveraging existing product safety assessments can improve chemical safety and chemical management regulations for the nation. During the meeting, Bond performed a live demonstration of www.dowproductsafety.com and discussed the value of conducting local Global Product Strategy workshops. Following the meeting, the Korean Ministry of the Environment is exploring the translation of Dow's product safety assessment into local Korean languages for use by the government and local companies. Additionally, the Korean Chemical Industry Association, ICCA and Dow have agreed to conduct a two-day Global Product Strategy workshop to be held in Korea in March 2010, where the Ministry of the Environment will be invited to participate.

Dow Holds Global Webinar on Health Promotion in China

Dow showed its commitment to helping address world health challenges by sharing best practices in a Global Consortium Webinar in China. This program was established to provide other groups and organizations with a model for implementing an effective employee-based health program in China. According to the Global Consortium leader, Dow is one of the few multinational employers that have successfully implemented a global health strategy in China. The regional health director of Greater China, Japan and Korea presented information on how Dow has adapted its health strategy to address local health challenges, including inadequate medical facilities, high smoking rates and an alarming increase in obesity.



Smart Solutions



UCARSAN™ Sanitizer Helps Fight the Influenza Virus

Dow makes available UCARSAN,™ a product line approved by the U.S. Centers for Disease Control and Prevention and endorsed by the World Health Organization as a safe and proven effective sanitizer against several microorganisms that cause a number of diseases. UCARSAN presents low toxicity, does not affect the environment, and is readily biodegradable. The product is an effective sanitizer against diseases, including the Influenza A-type viruses, which have been disseminating and are a matter of concern worldwide. The glutaraldehyde-based sanitizer was specially formulated for sanitizing fixed surfaces in poultry and swine facilities. With the objective of preventing the diseases that affect animals raised in confined areas from spreading, UCARSAN was extensively tested and proven effective against bacteria, fungi and viruses that cause animal and human diseases.

[Read more about this on dow.com.](#)



Dow Introduces Enhanced RV Winterization Fluid

Dow introduced an enhanced seasonal water system winterization product that prevents potable water systems in recreational vehicles, vacation cottages, boats, pools and spas from bursting in freezing temperatures. DOWFROST™ RVR is readily biodegradable, blended with 25 percent more renewable vegetable-based ingredients than the original formulation, and packaged in a container produced using proprietary Dow technology. Ingredients in DOWFROST RVR are food grade – safe for contact with humans, animals, fish or other wildlife. It is available at select Wal-Mart, AutoZone, O'Reilly Auto Parts, Advance Auto Parts, Pep Boys and other retailers. [Read more about this on dow.com.](#)

Dow Technology Featured in Unilever Promotion at Emmy Awards

Unilever, one of Dow's key customers, sponsored the Breakthrough Performance of the Year award on behalf of Vaseline Sheer Infusion, a new moisturizing product that contains revolutionary technology from Dow. The lotion contains Stratys-3 which, according to Unilever, is the biggest breakthrough in body lotion in 10 years. One of the groundbreaking components in Stratys-3 is a new Dow product from the Performance Materials Specialty Polymers business called PD Quat, a quaternized glycerol derivative that delivers moisture to skin like never before. The Stratys-3 combination infuses and suspends moisture across all layers of skin better than the leading moisturization technology, delivering an unprecedented two-times increased moisture to the outer skin compared to leading everyday body lotions.

STYROFOAM SIS™ Wins MVP Award

STYROFOAM SIS™ Brand Structural Insulated Sheathing has won an MVP Award for Most Valuable Product 2009 from Building Products magazine. STYROFOAM SIS was selected as a winner of this coveted award by a panel of judges comprised of builders, remodelers, architects and developers who evaluated product submissions based on their ability to reduce installation time, callbacks, or labor costs, and other factors that bring value to building professionals. Builders are incorporating STYROFOAM SIS into green package options for their customers as a point of differentiation. Made of up to 80 percent post-consumer recycled content by weight, STYROFOAM SIS is also ENERGY STAR-qualified and can save homeowners between \$200 and \$500 per year** in energy bills. [Read more about this on dow.com](#)

**Savings will vary based on heating/cooling system, geographical location, energy costs, wall assembly and configuration and thickness of insulation installed.

Chemical Industry Enables GHG Emissions Savings

The International Council of Chemical Associations (ICCA) announced the findings of a carbon life cycle analysis (LCA) for the chemical industry. According to the study (<http://www.icca-chem.org/>), for every unit of greenhouse gas (GHG) emitted directly and indirectly by the chemical industry, the industry enabled more than two units of emission savings via innovative products and technologies. The study also found that by 2030, the ratio of GHG emission savings to actual emissions could increase to a ratio of more than 4 to 1. Russel Mills, Dow director of Energy and Climate Change Policy, chaired the ICCA task force and commissioned McKinsey & Company to work on this major study.

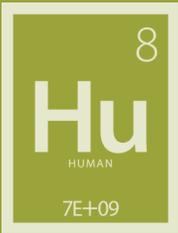
Responsible Operations

Dow Named to Dow Jones Sustainability World Index for Ninth Time

The Dow Jones Sustainability World Index announced its rating of The Dow Chemical Company as one of the top performers in the global chemical industry – marking the ninth time Dow has received this recognition since the launch of the Index a decade ago. In addition to improving its rating from last year, Dow achieved the highest scores in the sector for operational eco-efficiency, customer relationship management and environmental reporting.

Dow China Limited Listed Among the Top Ten Companies in the 2009 China “50 Green Companies”

This award was organized by Business Watch Magazine, a key business media in the country. Award screening of leading domestic and international enterprises in China recognized the recipients' achievements in green energy, green manufacturing and green services by considering environmental impact and resource management. Dow was the only top ten company in the chemical sector.



Dow Announces 2009 Responsible Care® Award Winners

The global awards program recognizes Dow projects that protect people and the environment and are consistent with Dow's 2015 Sustainability Goals. The projects nominated come from a variety of areas and can be industry-, company-, customer- or community-based. Most importantly, they demonstrate commitment and progress toward Dow's 2015 Sustainability Goals.

Responsible Care® Award for Stade

Dow's Stade, Germany, site received the Responsible Care Award of the Northern German Chemical Industry Association (VCI Nord). This award was granted for the implementation of a new technology to remove alumina from brine in the membrane electrolysis process. The new brine treatment process led to a significant reduction in energy consumption totaling 20 million kWh per year, which equates to the annual energy consumption of 6,000 households. This energy savings for the Stade site also results in reduced carbon dioxide emissions of 9,500 tons per year. The members of the VCI-Jury complimented Dow on the exemplary preservation of the environment and resources. The Responsible Care Award of the German Association of the Chemical Industry (VCI) is given annually to reward environment, health and safety projects that exceed legal regulations on a voluntarily basis.



Ocean Conservancy's International Coastal Cleanup

The Ocean Conservancy held its 24th annual International Coastal Cleanup (ICC) at various locations across North America and around the world. The 2009 ICC will mark the 23rd year Dow has worked with the ICC, supplying and distributing all the cleanup bags in the U.S., and encouraging volunteers for cleanup sites in places such as the U.S., Canada, Brazil and Thailand.

GOAL UPDATES

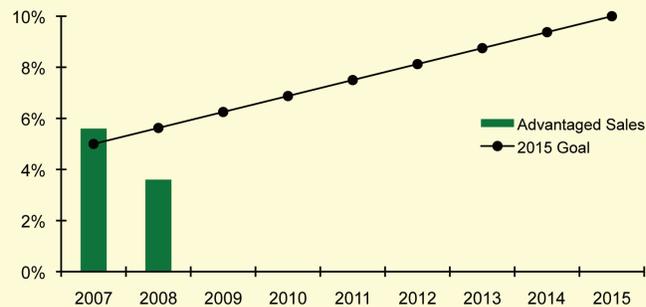
Sustainable Chemistry

Dow continues to deliver breakthrough improvements to our existing products, processes and technologies. Dow's Sustainable Chemistry Index will help drive innovation and measure our progress. It will help us use sustainable chemistry to optimize every aspect of sustainability, including environmental, social and economic factors, to deliver smart solutions to our customers.

A key component of this goal is the Sustainable Chemistry Index (SCI). The index forms the basis of the goal target to double to 10 the percentage of sales of products that have sustainable chemistry advantages. Sales that have sustainable chemistry advantages are those focused on:

- Solving environmental challenges like climate change and water availability
- Addressing social needs like affordable housing and improved food production
- Mitigating issues like chemicals of concern, manufacturing/distribution hazards and product end-of-life issues

Percent of Company Sales with Sustainability Advantage



The SCI was 18.7 in 2007, and dropped to 18.1 in 2008. This decrease in score occurred largely due to a decrease in manufacturing efficiency. In 2008, many of Dow's manufacturing facilities were operated at less efficient, low production rates due to the effects of the global economic crisis. On the U.S. Gulf Coast, hurricanes Ike and Gustav also led to unplanned shutdowns and plant idling. These events reduced the production efficiency of many of Dow's facilities, which is reflected in the lower SCI score for 2008.

Dow Wins Green Chemistry Governors Award for Spinetoram

Dow AgroSciences received a 2009 Michigan Green Chemistry Governor's Award in September. The inaugural award was launched by Michigan's Department of Environmental Quality (DEQ) in response to Governor Granholm's Executive Directive, "Promotion of Green Chemistry for Sustainable Economic Development and Protection of Public Health." Nominations for the award must illustrate how the innovation supports Michigan's growth, economy, environment, and health. Spinetoram, the winning entry from Dow AgroSciences in the business category, is a breakthrough insecticide derived through the fermentation of a natural soil organism followed by chemical modification. Spinetoram has the favorable environmental profile of a biological product combined with the efficacy of synthetic technologies:

- Controls a broad spectrum of insect pests in a wide variety of crops and is applied at lower rates than many conventional insecticides
- Has a very favorable toxicological profile as it relates to mammals, birds and aquatic organisms
- Has low impact to most beneficial insects, providing an excellent fit with Integrated Pest Management (IPM) programs, and its unique mode of action makes it an ideal fit for resistance-management programs

[Read more about this on dow.com.](#)

UC Berkeley's College of Chemistry Goes Green with Dow Chair

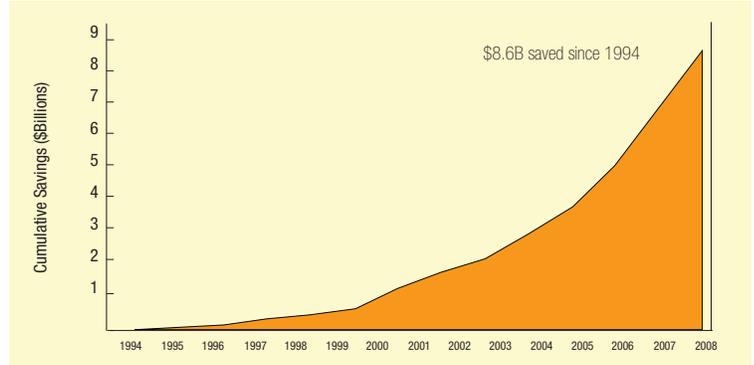
The College of Chemistry at the University of California, Berkeley, is making major new commitments to advance research and education in sustainable green chemistry, thanks to the financial support of The Dow Chemical Company Foundation and ongoing collaboration with The Dow Chemical Company.

The college has appointed a chemical engineering professor to the newly established Dow Chair in Sustainable Chemistry. The College has also established the new Berkeley Center for Green Chemistry – a cooperation among the College of Chemistry, the Haas School of Business, the School of Law, the College of Natural Resources, and the School of Public Health. Under the umbrella of the Berkeley Institute for the Environment, the Center brings together, for the first time, a multidisciplinary approach to research and education in sustainable chemistry practice. Combining the expertise of chemical and toxicology scientists with economists and policy experts is at the heart of the Chair's mission.

Plans for the Center for Green Chemistry include research collaborations among investigators from different disciplines, and education across disciplinary boundaries. The Center is working toward a new minor in sustainability for undergraduates and a designated emphasis in sustainability for graduate students. Both would require students to take coursework in subjects related to green chemistry that are outside of their primary disciplines.

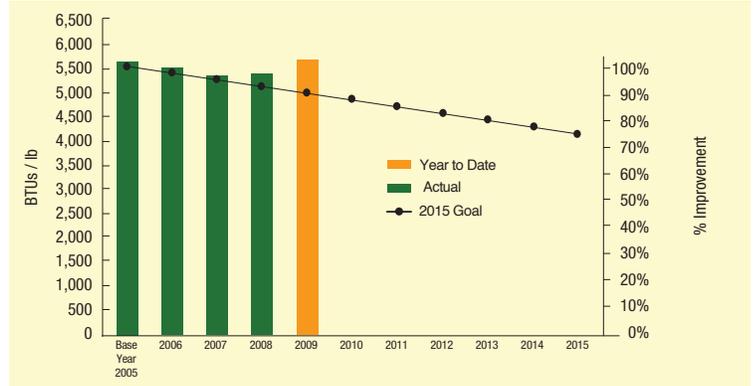
Addressing Climate Change Energy Efficiency and Conservation

Energy Efficiency Savings



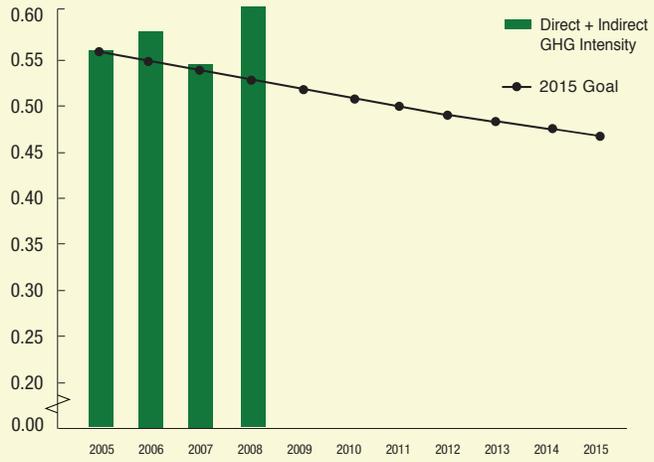
In 1994, Dow set a goal to increase the efficient use of energy by reducing its energy intensity (the amount of energy per pound of product produced) by 20 percent. That goal was exceeded as the energy per pound of product was driven down by 22 percent. The improvement resulted in a cumulative savings of \$4.3 billion over the 10-year goal period. With the increasing cost of energy, savings have continued to accrue rapidly and, through the end of 2008, savings due to improved energy intensity was over \$8.6 billion. The energy that has been saved since 1994 is now in excess of 1,600 trillion Btu.

Energy Intensity Performance 2005-2015



Our corporate target for Energy Intensity for the full year of 2009 is 5,098 Btu/lb, or 90 percent of the value in 2005. Our actual performance during the first three quarters of 2009 was 5,628 Btu/lb, which is 99 percent of the 2005 baseline. Beginning in 2009, the Energy Intensity metric is based on production output that leaves the company fence line, rather than all production. Energy Intensity Performance for Rohm and Haas operations has been integrated into the energy intensity results reported above.

Intensity of Kyoto GHG as CO₂ Equivalent

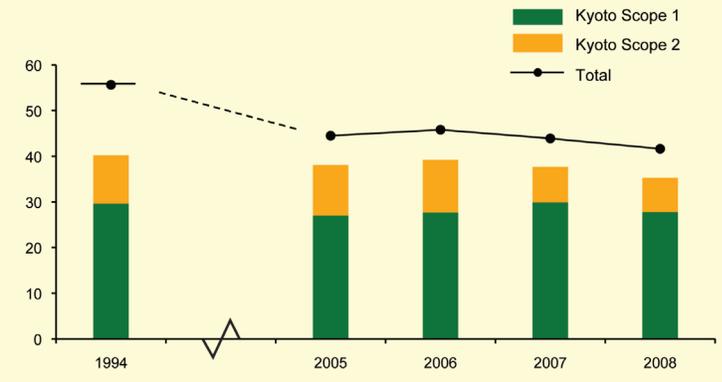


During 2008, Dow's greenhouse gas (GHG) emissions were 0.602 metric tons per metric ton of production. This is about a 7 percent increase in intensity from 2007. The increase is largely due to the impact of operating at low rates in the fourth quarter of 2008. By improving energy efficiency and implementing technology improvements, Dow's goal is to reduce GHG intensity 2.5 percent per year from 2005 to 2015.

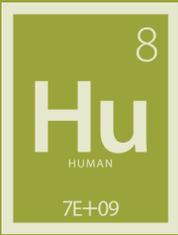
Kyoto GHG intensity is the sum of CO₂-equivalent direct and indirect emissions of the Kyoto family of greenhouse gases divided by unit of production. Indirect emissions are the consequence of Dow's consumption of energy, but are emitted from sources controlled by another company.

By 2025, we aspire to reduce absolute emissions within the company. The graph below outlines our direct (Scope 1) and indirect (Scope 2) emissions of Kyoto protocol gases as well as direct emissions of other gases. The other direct emissions are primarily related to foaming agents used in the manufacture of insulating materials. We invite you to watch our emissions performance as our Dow Building & Construction facilities convert to new technology ahead of the Montreal Protocol compliance deadline.

Absolute Greenhouse Gas Emissions as CO₂ Equivalent



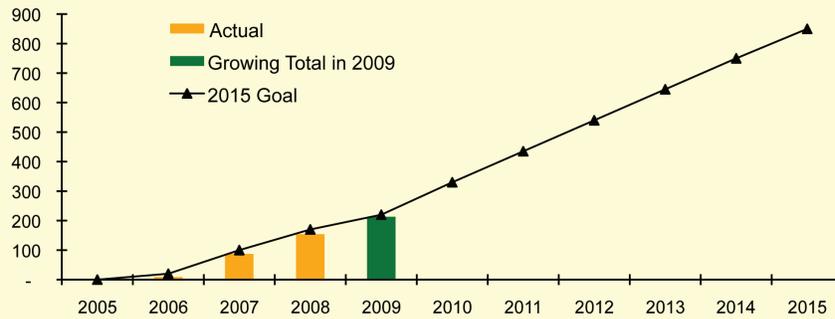
The company will report greenhouse gas emissions inclusive of the operations acquired from Rohm & Haas in the future.



Product Safety Leadership

At the end of third quarter, there were 213 Product Safety Assessments (PSAs) posted at www.dowproductsafety.com, with the addition of 11 new PSAs during the quarter. We have surpassed our 2009 goal of posting 50 new PSAs to the Website by adding 62 to the site year-to-date. We look forward to posting additional PSAs through the remainder of the year.

Cumulative Product Safety Assessments



Traffic to Dow's product safety Web site and downloads of PSAs continue to grow at an astonishing pace, according to recent Webtrends data. Dow's PSAs, a voluntary process for characterizing and managing product risk and communicating non-technical product information to the public, have been recognized as an industry best practice in global chemicals management and product stewardship by government and industry representatives. From 2008 through the first quarter of 2009 (the latest period for which Webtrends data is available), nearly 70 PSAs had been downloaded more than 30,000 times by people in 145 different countries. Chlorine, triethanolamine and acrylic acid were the PSAs most commonly downloaded by visitors.

Currently there are 213 PSAs posted, making Dow the industry leader in publicly available product safety assessments. The 2015 Goal is to have publicly available PSAs for all applicable products. As a result of integrating Rohm and Haas, we estimate that our total need for Product Safety Assessments increased from about 650 to about 850.

Breakthroughs to World Challenges

As we begin to see a light at the end of the economic turmoil, it is important to ask how those of us who have something to give can contribute to those with ongoing struggles. Dow people around the world continue to look for and deliver solutions that address many of the world's great challenges. This approach aligns back to the roots of the United Nations Millennium Development Goals, which are about helping people. Following are a few examples of how Dow technologies and collaboration lead to enhanced lives.

Through Dow Ventures' investment in Water Health International (WHI), we have enabled access to clean drinking water for more than one million people in villages throughout India. The WHI business model allows for a village of 3,000-10,000 people to have access to very inexpensive clean water. This is not philanthropy. The few pennies charged for the water is enough to support the needed infrastructure and employees to make the operation sustainable. The system works so well that demand from villages currently outstrips WHI's ability to supply all the systems. As demand is met by supply, we should soon be able to report that two million people have access to clean water.

Serving more than a million individuals with very clean drinking water is an admirable feat. However, not all water systems reflect that scale.

**1 Million
People**

gain access to clean
drinking water

Arsenic levels
reduced from

250 ppb
to
10 ppb

Improving
corn acreage
productivity by

50%

During the second quarter, Dow Water & Process Solutions provided ADSORBSIA™ GTO™ arsenic removal media to the city of Sedona, Arizona. If you are one of the 11,600 people who reside in Sedona, this is big news and clearly enhances your life. High arsenic levels have been shown to cause health effects, including cancer.

As the cost of these systems comes down and the efficiency improves, more systems can be installed in developing countries with significant arsenic problems like Bangladesh. In the meantime, the Dow Chemical Company Foundation supported work at the University of California at Berkeley, where a cost-effective Electrochemical Arsenic Removal (ECAR) system is being developed to help villages reduce their arsenic levels from up to 250 ppb to the World Health Organization - recommended level of less than 10 ppb.

Dow AgroSciences, working with Monsanto, has developed a new corn strain called SmartStax™ that is capable of improving corn acreage productivity by 50 percent. With SmartStax corn, an extra 75 bushels could be produced for that same acre of land. Dow AgroSciences and Monsanto expect to soon have 3-4 million acres in SmartStax, which would be enough to feed about 10 million people. Another benefit of SmartStax corn is that no extra water or fertilizer is needed to achieve these gains. SmartStax also enables farmers to use fewer agricultural chemicals because of the built-in traits to resist problematic pests.

Dow Epoxy Systems and Europe-based RS Technik Group announced this quarter that they would form a global commercial alliance focusing on the sewer pipeline rehabilitation market, specifically on the trenchless technology called cured-in-place pipe (CIPP). This new technology allows eroding sewer infrastructure to be repaired without the need for digging up the old pipe, which saves time and money and contributes to potentially enhancing the lives of millions.

Contributing to Community Success

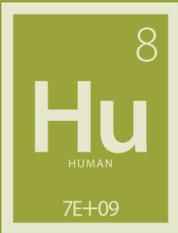
The Contributing to Community Success Goal achieved a very important milestone in August 2009. Aratu, Brazil, was the tenth and final strategic site to complete their community success workshop. Data was captured during detailed face-to-face surveys from residents in and around the Aratu site, which includes the villages of Candeias, Camaari and Matarandiba Island. The results of the survey identified important issues surrounding basic needs such as education, health, household utilities and the environment.

Aratu has an exceptional familiarity level, as 93 percent of Aratu respondents say they are at least a little familiar with Dow. However, the Contributing to Community Success Goal is measured on two metrics: favorability (those who are glad Dow is in their community) and community impact (those who feel Dow plays a positive role in making the community a better place to live). In Aratu's case, there is a high level of favorability. However, when you introduce the measurement on community impact, there is a significant gap.

Progress towards the goal will be achieved as strategic sites close this gap between favorability and community impact. Approximately 70 percent of the strategic sites are realizing significant gaps while the other 30 percent are closer to achievable results due to factors such as major presence, age and history of the sites.

Implementation to achieve community impact is underway in Aratu. As a part of Aratu's community success plan, The ECOSMAR Project – Matarandiba Sustainable and Solidarity Economy has been developed by Dow in partnership with the Federal University of the State of Bahia. The objective of this project is to promote the sustainable development of the Matarandiba community, through the generation of work and income, in order to establish a Solidarity Economy Net.

In the project's first phase, two initiatives were created: the Community Info Center and the Community Bank. These were the embryos of the Solidarity Economy Net in addition to the launch of Matarandiba's social currency, Conch, which is already recognized and being used by the Matarandiba community. Results are already being realized by the community, proving their capability to create innovative solutions to their needs and also their leadership potential among other communities.



The Contributing to Community Success goal is on schedule to begin re-measuring at Dow's initial pilot sites by 2010. This will be the first opportunity to compare and contrast data and get a measurement of progress made towards achieving community success.

Local Protection of Human Health and the Environment

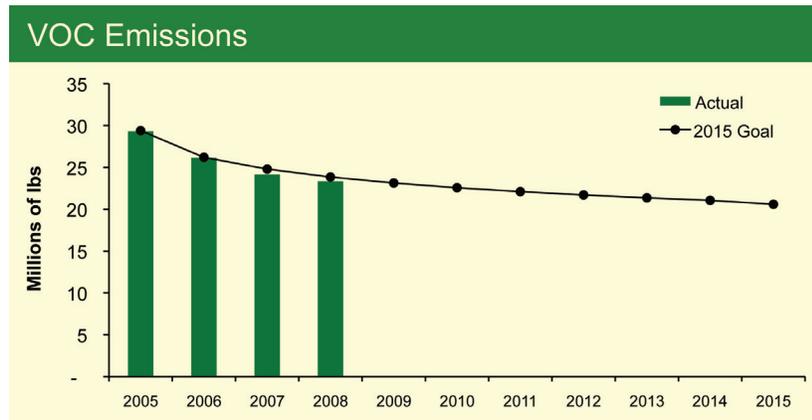
While the 2015 goals are fundamentally sound in direction and substance, many of the targets required recalibration to address the new baseline created by the acquisition of Rohm and Haas. The targets have been recalibrated by analyzing historical and recent data from both heritage companies.

	New 2009 Target	Old 2009 Target	New 2015 Target	Old 2015 Target
Injury Illness Rate	0.33	0.29	0.12	0.08
Injury Illness Severity Rate	1.49	1.07	0.67	0.39
LOPC Count	570	375	130	75
Process Safety Code Measurement Incidents (Old ACC Definition)	Sunset	30	Sunset	14
Process Safety Incident (New ACC Definition)	58	n/a	25	n/a
Process Safety Severity Rate	0.116	0.13	n/a	n/a
Severe MVA Rate	0.36	n/a	0.28	n/a

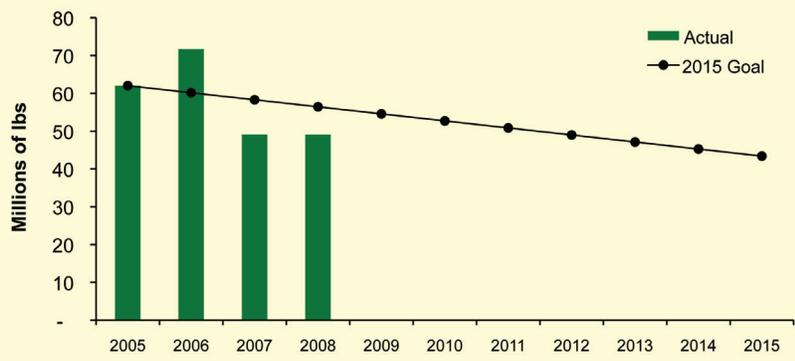
In the third quarter, Dow added four new metrics to its Local Protection of Human Health and the Environment goal. Currently, these metrics display results of Dow operations prior to the acquisition of Rohm and Haas Company. The metrics will be amended in the future to include the acquired operations.

The first three metrics commit Dow to reduce emissions by 30 percent from base year 2005, by the year 2015, related to:

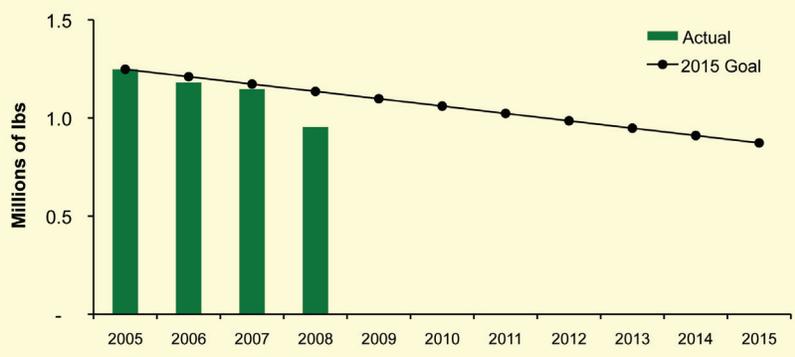
- Volatile Organic Compounds (VOCs)
- NOx
- Priority Compounds (These emissions are comprised of chemicals with persistent, bio-accumulative and toxic hazards, and chemicals with carcinogenic, mutagenic and reproductive hazards)



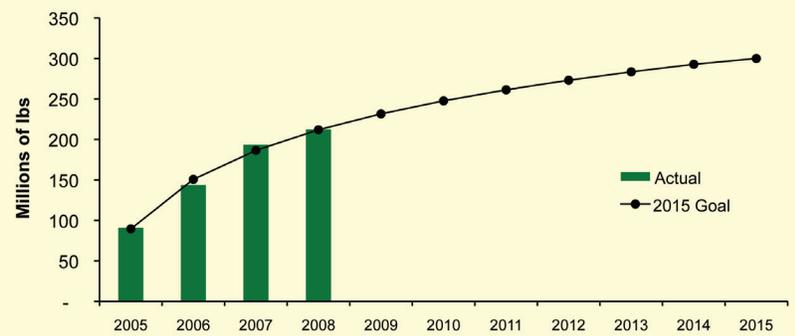
NOx Emissions



Priority Compound Emissions

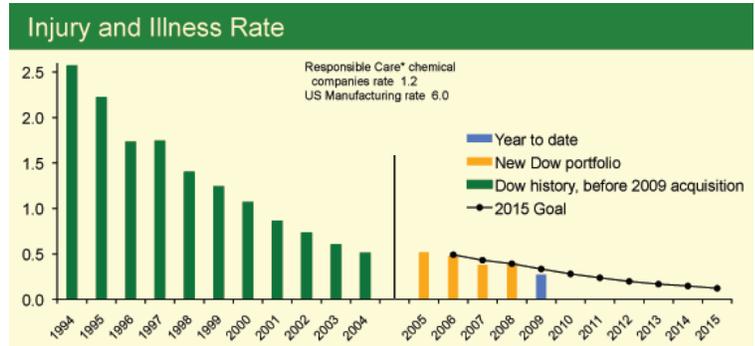


By-Product Synergy

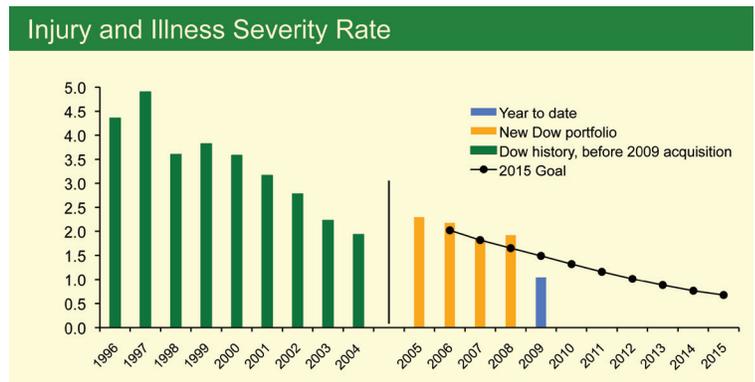


The fourth new metric involves a commitment to reuse 300 million pounds of by-products as raw materials, instead of disposing of them as waste. By-product synergy (BPS) is the matching of under-valued waste or by-product streams from one facility with potential users at another facility to create new revenues or savings with potential social and environmental benefits. See more detail about by-product synergy at the U.S. Business Council for Sustainable Development Web site.

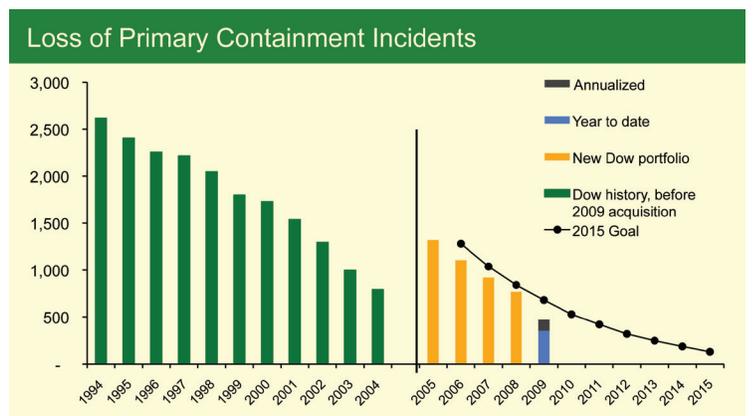
For the Local Protection of Human Health and the Environment goals that follow, the incident experience of the acquired operations of Rohm and Haas are included, where available, beginning in 2005. For the Motor Vehicle Accident goal, the acquired operations are included beginning in 2009 and will continue to be reflected that way in future reporting.



At the end of the third quarter 2009, the Injury and Illness rate was .27 per 200,000 hours of work. This represents a 32 percent improvement compared to our performance for all of 2008. The rate of .27 is 19 percent better than our goal for all of 2009. The 2015 Goal of .12 per 200,00 hours is a 75 percent improvement from 2005.

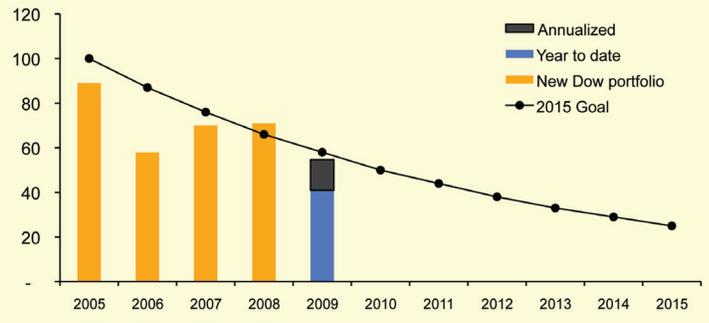


At the end of the third quarter 2009, the Injury and Illness Severity rate was 1.05 per 200,000 hours of work. This is a 46 percent improvement compared to our performance for all of 2008. The rate of 1.05 is 30 percent better than our goal for all of 2009. The 2015 Goal of .67 per 200,000 hours is a 70 percent improvement from 2005.



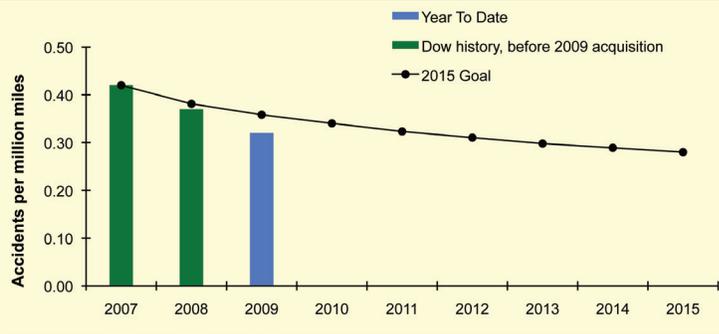
Through the end of the third quarter 2009, 354 Loss of Primary Containment incidents have occurred. This is 39 percent lower than our rate in the prior year. The 354 events year to date translates into an annual rate that is 27 percent better than our goal for all of 2009. The 2015 Goal of 130 or fewer incidents is a 90 percent reduction from 2005.

Process Safety Incidents



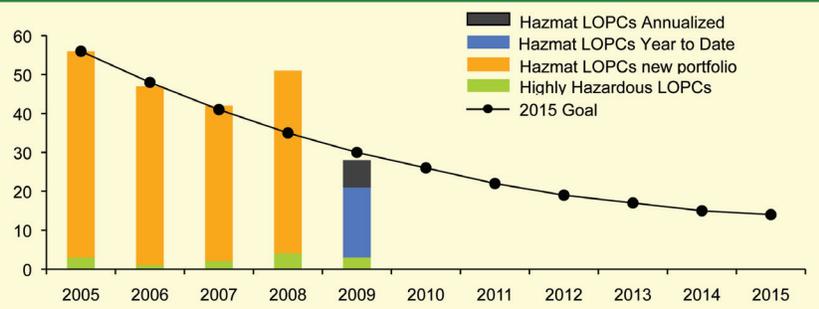
At the end of the third quarter, Process Safety performance shows improvement of 21 percent compared to our 2008 result. Year-to-date we have experienced 41 incidents. When annualized, this is three less than our goal of 58 for all of 2009. The 2015 Goal of 25 or fewer incidents is a 72 percent reduction from 2005. Process Safety incidents are classified in terms of the new Center for Chemical Processing Safety and American Chemistry Council Process Safety Incident (PSI) definitions.

Severe Motor Vehicle Accident Rate



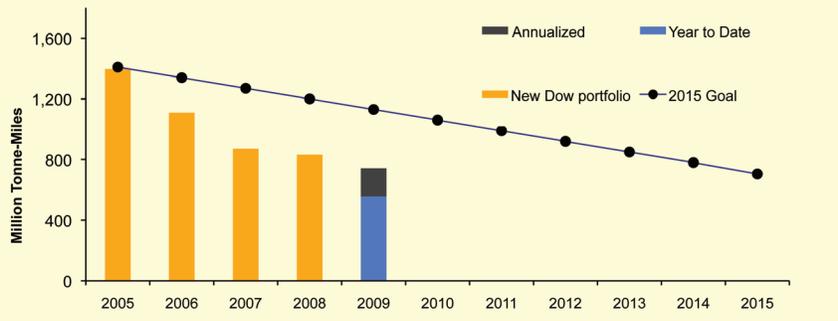
At the end of the third quarter 2009, the Severe MVA incident rate was .32 accidents per million miles driven. This represents a rate that is 14 percent lower than our rate in the prior year. The rate of .32 is 11 percent better than our goal for all of 2009. Our 2015 Goal is to reduce the Severe Motor Vehicle Accident rate to no more than .28 accidents per million miles driven. This target represents a 33 percent improvement in our performance over the 2007-2015 time frame.

Hazmat Transportation LOPC Count



Through the first three quarters of 2009, Dow experienced 21 Hazmat Transportation Loss of Primary Containment events. The annualized total of 28 is 47 percent lower than the 2008 performance. There have been three Highly Hazardous LOPC events in 2009. Our 2015 Goal to reduce all Hazmat Transportation incidents to 14 or less is a 75 percent improvement from 2005.

Highly Hazardous Material Tonne-Miles



Dow believes it is part of our corporate responsibility to reduce the volumes of Highly Hazardous Materials that need to be transported. As such, we have set a 2015 Goal to reduce the number of tonne-miles (a measure of how much we're shipping and how far) by 50 percent from our levels in 2005, which was 1,400 million tonne-miles. We will accomplish this by looking at ways to redesign our supply chain to reduce or eliminate many shipments or the distances they must travel. (A tonne-mile is one metric ton of freight moved 1 mile or 1.6 km.)

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

Through the first three quarters of 2009, there were 557 million tonne-miles of Highly Hazardous Materials shipped via road and rail. The annualized total of 743 is 34 percent lower than the 2009 target of 1,130 million tonne-miles.

Dow remains committed to continuously improving our performance and to publicly reporting our progress. Please visit www.dow.com for the latest Dow sustainability, business and performance news.

