



2010 Global Reporting Initiative Report

The Annual Sustainability Report Summary

The power of science and
nature working together to deliver
innovations that help our customers
as well as the rest of the world.

Sustainability Overview – 2010

Introduction to Dow Sustainability Report for 2010

The integration of sustainability into our culture is a long pursued and ongoing process at Dow. Our commitment to sustainability started long before our 1994 initiation of ten-year improvement goals that proved successful in driving best-in-class safety and environmental performance achievements. In recent years we have cultivated increased intimacy and transparency with a multitude of sustainability focused groups including customers, suppliers, partners, non-profit organizations, the communities where we operate and our employees many of whom, like us, are diligently working to build a more sustainable future.

Highlights

Major Accomplishments for 2010

- Embarked on five-year, \$10 million collaboration with The Nature Conservancy to develop, implement and refine ecosystem services and biodiversity assessment modeling tools on Dow sites and in Dow business decisions.
- Marked the halfway point in our 2015 Sustainability Goals with 2010 performance that exceeded our 2010 target for the vast majority of the metrics used to track our progress.
- Became the only chemical company to receive the National Safety Council's prestigious Robert W. Campbell Award for upholding Environment, Health and Safety (EH&S) as a key business value and clearly linking measurable achievement in EH&S performance to productivity and profitability.
- Committed to a ten-year sponsorship of the Olympic Games as a significant business opportunity, an investment in our brand, our reputation and our future.



Following the success of our first ten-year goal period which ended in 2005, we set the bar even higher with the introduction of the 2015 Sustainability Goals. These commitments encompass a more external focus and help prioritize our actions to ensure that our products and operations are supporting the needs of future generations. We are strengthening our relationships in the communities where we operate, continuing to improve our product stewardship and innovation to solve some of the world's most pressing problems, while reducing our global footprint.

One of Dow's four strategic themes is to Set the Standard for Sustainability. Doing so across scores of businesses with diverse offerings, serving end-users with very different needs, is a challenge. Beginning in 2010, two important efforts were initiated to connect the businesses to the corporate framework to create a more sustainable world. The first was the adoption of a sustainability R&D footprint tool that builds understanding about the impacts of each project in the R&D portfolio. The second documents where the business has current and future opportunities that can make a contribution to a more sustainable world. Both efforts are helping establish a blueprint for future accomplishments, business-by-business.

The following pillars articulate how Dow is working to build a more sustainable world.

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.

Partners for Change

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

Innovations for Tomorrow

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

Smart Solutions for Today













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

Challenges

Where we have not met our improvement ambitions

- Greenhouse gas (GHG) intensity, the pounds of GHG emissions per pound of production, has not declined as planned.
- We continue to search for projects where innovation can achieve Breakthroughs to World Challenges.
- Improving Energy Intensity was delayed due to more than two years of low operating rates and capital constraints. Getting back on track to achieve a 25 percent improvement by 2015 will be a challenge.

Mid-Point Progress on 2015 10-Year Sustainability Goals

Targets	2010 Performance	2010 Result	2015 Target	Lessons Learned
Sustainable Chemistry Goal				
Percent sales from highly advantaged products		3.4%*	10%	Barriers to portfolio change are significant. Creative ways to avoid large capital investments can contribute.
Sustainable Chemistry Index		21.2	25	Business understanding and engagement is important. More goals by business are needed.
Breakthroughs to World Challenges Goal				
At least three breakthroughs by 2015		0	3	Significant progress in identifying breakthrough candidates across the company, however, there is a real challenge in measuring significance. Collaboration is important.
Product Safety Goal				
Provide PSAs for all products		69%	100%	Stakeholders affirm value. Now also being implemented by ICCA.
Energy Efficiency and Conservation				
Improve Energy Intensity by 12 percent by 2010		2%	25%	Lower operating rates make operations less efficient. Large capital requirements are needed to make big strides forward.
Climate Change				
Decrease GHG intensity by 2.5 percent per year		increased 5%	25%	Lower operating rates delay progress. Changing Dow portfolio important/underway.
Community Success Goal				
Ten strategic sites with improved favorability		3 remeasured	10	Midland, Freeport, and Pittsburg, California, confirm Success Plans are on track. Others to be measured.
Local Protection of Human Health and the Environment				
Injury and illness rate		0.33	0.12	Increasing challenge. Goal of 0.12 will require behavior allowing only one injury per 1.6 million hours of work.
Injury and illness severity rate		1.41	0.67	An increasing challenge which requires continued focus on incident root cause elimination.
Severe motor vehicle accident rate		0.24	0.28	Great to already have surpassed the goal, but diligence is critical to sustain this stellar outcome.
Loss of primary containment incidents		351	less than 130	Better than target in 2010, but cutting by another 2/3 requires new thinking/disciplines.
Process safety incidents		37	less than 25	On target in 2010, but cutting in half by 2015 is challenging.

*2009 measurements

We welcome your [feedback](#). For more information about how Dow is making contributions to a more sustainable world, see the [full report for 2010](#).



"It's our obligation to help where we can. What better place to do that than in the communities where we have operations and where we live? We owe it to those that have paved the way for us."

— John James, Global Purchasing, Packaging Leader



"Total health is multi-dimensional: physical, emotional, social, intellectual and spiritual. Dow Health Services programs are designed to optimize total health and unleash the power of prevention for our employees."

— Dr. Cathy Bodnar is a Dow physician who is responsible for implementation of Dow Health Services Programs at over 70 worksites in North America.



"I never imagined that I could change lives by doing what I know how to do. This project changed me and I'm so grateful I had this opportunity."

— Kristi Galus, Supply Chain Specialist



"Once the plant is built, it's going to be there for decades. If it uses less efficient unit operations to accomplish the chemistry, it doesn't matter how good you get at running the plant. The Early Stage Review process helps make sure we pick the most sustainable approach for making the product for years to come."

— Scott Phillips, Research Leader