



2011 Annual Sustainability Report

2011 Sustainability



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

The Dow Chemical Company

2011 Global Reporting Initiative Report

→ 2011 Global Reporting Initiative (GRI) Report
Including UN Global Compact – Communication on Progress

DOW ATTAINS AN EXTERNALLY VERIFIED APPLICATION LEVEL OF A+

The A represents the highest level of completeness in addressing core topics as identified by the Global Reporting Initiative (GRI). The "+" is achieved as a result of report assurance that involves a third party review by Environmental Resource Management (ERM). Feedback about our reporting provides insight to help continually upgrade our efforts to provide information regarding our efforts to set the standard for sustainability. We believe it is important to make this information publicly available and, in addition, we want it to be useful to interested parties who may desire to use GRI indicators in a comparative way.



Finding what is of interest to you.

Following this page is a high-level table of contents that outlines the color-coded organizational structure of the report.

Summary of 2011. The eight page summary is a convenient way to learn more about Dow and its commitment to sustainability. Download this pdf for a quick read on what happened at the Company in 2011. In the interest of being sustainable, only print pages you will need offline.

Detailed GRI Index. At the end is a detailed index in GRI G3.1 nomenclature with hyperlinks by item that will help you navigate to your topic of interest.

Embedded Links. Relevant detail about various can be found at links throughout the report.



About Our Cover:

Dow is helping make clean energy, healthy oil, and longer shelf life for fruits and vegetables available for a better tomorrow.

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Introduction

For the eighth year, The Dow Chemical Company is providing a Global Reporting Initiative (GRI) Report. This document follows the GRI 3.1 framework, making information available on a range of Environmental, Social, and Economic topics. Other Company reporting that may be of interest to readers is available on dow.com as follows:

- › [2011 Databook](#) under Investor Relations, Financial Information
- › [2011 Dow Annual Report](#) under Investors, Financial Information
- › [Code of Business Conduct](#) under Investors, Corporate Governance
- › Dow's [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2011 under Investor, Financial Information, SEC Filings
- › [2012 Proxy Statement](#) under Investors, Financial Information
- › [Public Reports from Around the World](#)
- › [Our Company, Overview](#)
- › [Quarterly Updates](#) found under Company, Sustainability, Reporting Center
- › UN Global Compact Communication on Progress (this document serves as the COP for 2011)

Q and A for More Comprehensive Understanding



WHAT IS THE GLOBAL REPORTING INITIATIVE (GRI)?

GRI is an organization that has pioneered the standardization of sustainability reporting through the creation of the GRI framework. Key principles in its approach include: balance, comparability, accuracy, timeliness, clarity and reliability. For more information, visit [GRI's website](#) or study the [GRI index of topics](#) at the end of this document.

HOW DOES DOW APPROACH SUSTAINABILITY REPORTING?

The transparent and comprehensive use of the GRI framework creates accountability for the Company to report and improve reporting on the topics stakeholders may find important. We intend to serve broad stakeholder needs efficiently by creating a central repository for all relevant topics. Progress on our 2015 Sustainability Goals is also consistently communicated in our [quarterly update](#) published on [dow.com](#).

WHAT ARE DOW'S 2015 SUSTAINABILITY GOALS?

A 2011 year-end summary for each of our 10 year Sustainability goals is found in the Summary of 2011 pdf. It is available as a separate pdf, and also found on pages 8 through 13 within this document.

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

WHY DOES DOW PROVIDE ASSURANCE FOR ITS SUSTAINABILITY REPORT?

Assurance results from conducting a review of the report with an external organization to enable the reader to be confident that the content is accurate, addresses stakeholder interests, and follows the GRI reporting principles. When this process is successfully employed, the + designation is added to the GRI application grade. Dow's report is an A+ report because of its completeness (A) and external assurance (+). See [section 3.13](#) for more information.

NEW FOR 2011: BROWSE BY MATERIALITY

Look for the following icon throughout the document to find sustainability topics that are material to Dow:

WHAT IS THE UNITED NATIONS (UN) COMMUNICATION ON PROGRESS (COP)?

We use the annual Sustainability Report to convey our Communication on Progress (COP) for the UN Global Compact's ten principles. The UN Global Compact is the world's largest voluntary corporate citizenship initiative. For more information on the UN Global Compact and its principles, visit www.unglobalcompact.org/.

We value your interest in Dow's report and welcome questions, comments and improvement suggestions. Please use the following email address to contact us.

Johnathan DiMuro (JDiMuro@dow.com)
1-989-636-2020
Sustainability Reporting

Sustainability Overview 2011

2011 was another year of strong progress as Dow implemented changes that foster ongoing growth to help address the needs of the planet in sustainable ways. We are learning to find opportunities by being increasingly aware of megatrends that impact how the economy is changing. It is clearer than ever that companies need to develop solutions to make the planet a good place to live for future generations while being responsible for economic, environmental and the social dimensions of their pursuits.

HIGHLIGHTS

› Comprehensive Progress in Safety

A comprehensive set of safety metrics is tracked and performance carefully scrutinized to help make Dow as safe a place to work as possible. Two metrics achieved breakthrough performance in 2011... beating ambitious 2015 targets.







- 19 Process Safety Incidents, **down from 37; beating the goal** for the year 2015 (25)
 - 0.19 Severe Motor Vehicle Accident rate, **down from 0.24; beating the goal** for the year 2015 (0.28)
- › Joint Venture with Mitsui to proceed in Santa Vitoria, Brazil to make polyethylene from sugar cane. Polyethylene is the highest volume of all plastic resins.
- › International Year of Chemistry helped stakeholders understand chemistry is at the center of finding solutions to the challenges of today and tomorrow.
- › Launched a breakthrough collaboration with The Nature Conservancy to incorporate the value of ecosystem services into business strategies and decisions.

CHALLENGES

- › Governments need to provide wise energy policies. Meeting the world's need for clean, sustainable and affordable energy will require getting beyond partisanship and self-interest.
- › Nurturing individual business engagement; maturing their strategies to effectively incorporate sustainability
- › Energy Intensity improvements are lagging the intended progress toward the 2015 Sustainability Goal.



STRONG SAFETY PROGRESS

SAFETY DIMENSION	IMPROVED VS 2010	
Personal injury rate	9% less frequent	
Injury severity	23% less severe	
Process Safety Incidents	Reduced by half, 19 in total	
Severe motor vehicle accident rate	21% lower; better than 2015 target	
Leaks at manufacturing sites (Loss of Primary Containment)	27% fewer	
Leaks while in transit (Loss of Primary Containment)	Down by 43%, 17 in total	

WORLD MEMBER OF THE DOW JONES SUSTAINABILITY INDEX

 **Dow Jones Sustainability Indexes**
Member 2011/12



Statement GRI Application Level Check

GRI hereby states that **The Dow Chemical Company** has presented its report "The Annual Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 27 June 2012



Neimara Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because **The Dow Chemical Company** has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 29 May 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

Year-end Update on 2015 Sustainability Goals

→ Goal Progress

Local Protection of Human Health and the Environment

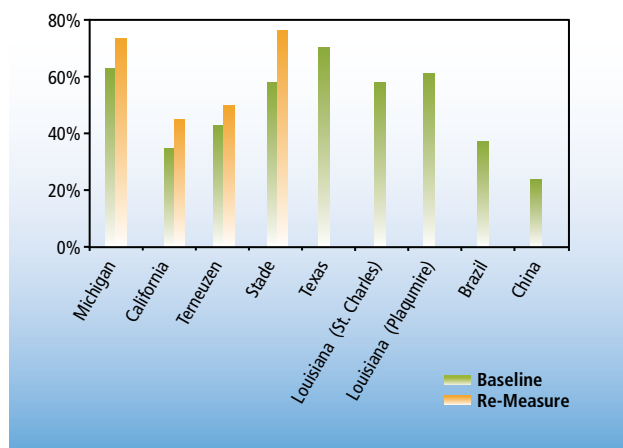
In our ten-year goal period from 2005 to 2015 we have challenged ourselves to achieve breakthrough improvements in traditional Environmental Health and Safety metrics. We are building upon the improvements accomplished in the 1995–2005 Dow goal period. For three improvement goals, we have already achieved a performance superior to our target for the end of the goal (2015).

Key Performance Metric	2011 Actual	2010 Actual	Reduction over 2010	Outperforming
Process Safety Incidents	19	37	49%	Outperformed the 2015 Goal target of 25.
Severe MVA Rate (accidents per million miles)	0.19	0.24	21%	Outperformed the 2015 Goal target of 0.28.
By-product Synergy	310	285	NA	Exceeding the 2015 Goal of 300 Million lbs.
Status				
Injury/Illness Rate All Reportable Incidents (per 200,000 hours of work)	0.30	0.33	9%	280 Employees were hurt in an incident in 2011, 11 fewer than the year before. Achieving our target of 0.12 in 2015 is equivalent to having an incident at a frequency that is 36 times lower than as reported for U.S. manufacturing during 2009.
DAWC Days Away from Work Cases (per 200,000 hours of work)	0.08	0.12	46%	We reduced more serious incidents where the injury caused the employee to miss work by 46%.
Leaks at Manufacturing Plants (includes breaks and spills)	262	357	27%	A 27% reduction is a significant improvement. On track to cut these events in half by 2015, beating target of 130.
Leaks of Hazardous Material (During Transportation)	17	30	43%	In 2005 we experienced 56 events. Our 2015 goal is no more than 14 incidents. Reduction improves safety and reduces the risk to the environment.

Community Success

A Community Success plan focused on the most important quality of life issues as determined locally is being implemented at ten sites where Dow has a major presence. Community Acceptance Ratings determined through surveys define the baseline reputation of the company in each location. Our Community Success goal is to improve the Company Community Acceptance rating in each of the sites where we have a major presence by working directly with the communities in identifying and addressing quality of life priorities. Four locations have been re-measured and the improvement in each location is encouraging.

Community Acceptance: Improving the Quality of Life



Climate Change

During 2011 Dow reevaluated the effectiveness of the approach to tracking and reporting progress on addressing climate change. We have expanded our goal to include limiting global Green House Gas (GHG) emissions to the level that Dow experienced in 2006, growing our Company, but not the emitted carbon. The Company will continue to report GHG intensity.

Additionally we are now regularly reporting on a target to grow the use of Clean Power to exceed 400 megawatt equivalents by 2025. At the end of 2011 Dow had identified 215 megawatts that are either low carbon or from renewable sources. This goal is helping us pursue opportunities to incorporate economically-viable, clean-technology energy alternatives into our operations. Examples of projects that will help increase our Clean Power portfolio include:

- Dow's Pittsburg, California facility utilizes solar energy
- Electricity from recaptured landfill gas being used as a partial source of power to Dow's Midland, Michigan Headquarters
- In 2013, Dow will begin use of eucalyptus biomass as a source for steam to serve its Aratu, Brazil site. Upon project completion, the Aratu site will be more than 75 percent sourced for power and steam from clean energy, relying in large part on hydroelectricity.

Another improvement has been initiated to develop understanding and effectively communicate about the impact of Dow products. We will quantify the impact of our products both in the supply chain, before Dow operations, and during the use phase by our customers and ultimate end users. This assessment will be accomplished with an Impact Tool that quantifies the energy and GHG profile of products and helps convey the benefits by communicating a ratio of burden compared to benefit. For example, we report in [EN17](#) that the ratio of benefit throughout the life of the STYROFOAM™ insulation product line is seven times the GHG emissions involved in the manufacturing and construction phases of making a homes and other applications more energy efficient.



More information about addressing Climate Change is found in the Environmental Summary, (page [44–46](#)) and in indicators [EN16](#), [EN17](#) and [EN18](#).

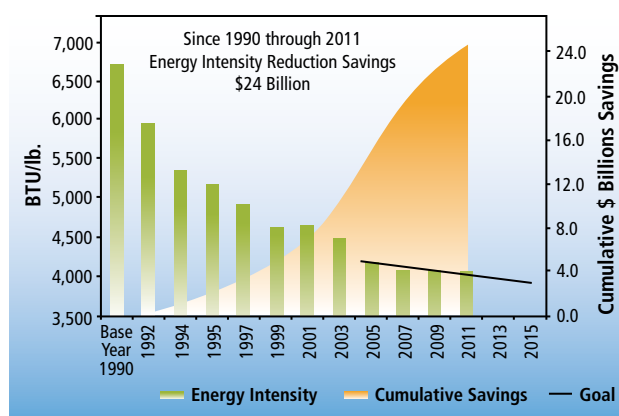
2015 Goal Progress

Energy Efficiency and Conservation

After improving our Energy Intensity by 22% from 1994 to 2005, we set out to pursue a 25% improvement over the 2005 level by 2015. The Energy Intensity for all of Dow manufacturing during 2011 was 4,058 BTUs/lb, an overall improvement of 2.6% compared to 2005. We have invested specifically to modernize operations in the last 24 months, but annual intensity improvement has slowed due to the greatest inefficiencies in our processes having been eliminated in earlier years.

Using the Energy Intensity (EI) 1994 baseline, the company has accomplished a cumulative savings of 1,900 trillion Btu's which is equivalent to reducing the Company's cost of energy by more than \$10 billion since that time. The same calculation, using 1990 as a base year, illustrates that Dow has saved about 5,200 trillion BTUs of source energy, equal to about \$24 billion.

Energy Intensity Performance 1990–2015

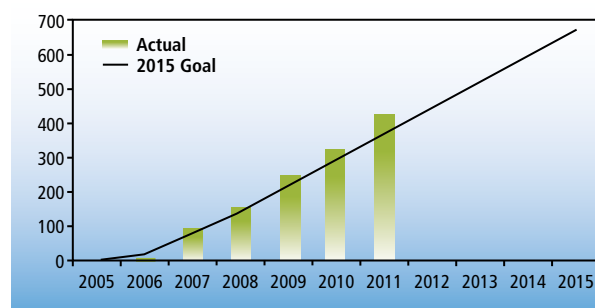


For more information on this and other Dow Energy initiatives: www.dowenergy.com

Product Safety Leadership

The 2015 Goal to promote Product Safety commits the Company to publish a Product Safety Assessment (PSA) for each of Dow's products by 2015. You can visit www.dowproductsafety.com website to view a typical PSA. 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. This holistic approach enables Dow customers and the communities in which Dow does business to stay informed about the Company's products and the plants that produce them. Dow is dedicated to providing the public with accurate information and building trust as it uses technology to develop better products.

Cumulative Product Safety Assessments



At the end of 2011, there were 411 PSAs posted at www.dowproductsafety.com and they now cover products accounting for 78% of Dow's 2011 revenue.

Breakthroughs to World Challenges

In the Breakthroughs Goal we are striving to find three significant breakthroughs by 2015. During 2011 we continued to drive our search for Breakthroughs to World Challenges through the innovation efforts driven by the investment in R&D at Dow. World challenges as articulated by the UN Millennium Development Goals and the lens of global mega-trends are helping aim the R&D investment at challenging needs of current and future generations.

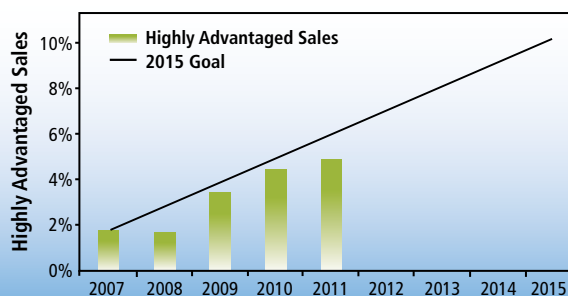
In Quarterly Updates during 2011, we reviewed how Dow contributions help convert wind into clean energy, how reverse osmosis filters are being used to clean water with lower energy requirements, how absorptive paint can mitigate toxic levels of formaldehyde problematic in some fast growing urban areas, and how Dow POWERHOUSE™ Solar Shingles are being shipped for use in new home construction.

The first Breakthrough accomplishment will be announced in 2012.

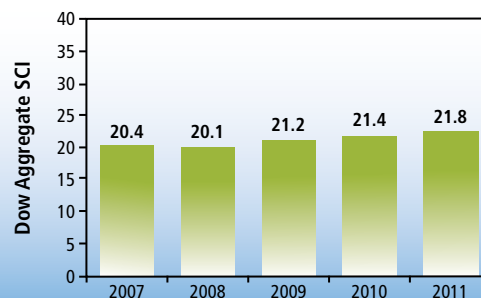


Sustainable Chemistry

Highly Advantaged Sales



Dow Aggregate SCI



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 our Sustainable Chemistry Index (SCI). The SCI is updated annually and involves assessing sustainability attributes of the Company portfolio at a detailed level. During 2010 the SCI increased from 21.4 to 21.8. The fraction of Company revenue that was from Highly Advantaged sales grew to 4.8%, up from 4.3% as measured for 2010. Opportunities have been identified to enable additional products to be included in the Highly Advantaged category. Engagement is ongoing to further integrate these opportunities into the business strategies.

Find information about our ongoing implementation of the 2015 Sustainability Goals each quarter at our [Reporting Center](#).

Strategy and Profile of The Dow Chemical Company



I. Strategy and Analysis

1.1 Statement from CEO presenting overall vision

Sustainability is not just an imperative for the planet – it is an imperative for business. And while protecting our planet and maintaining economic prosperity at the same time requires new paradigms, the two are not at odds. In fact, they are interdependent. When one goes out of balance, the other is sure to follow.

The natural world we depend on for our lives and our livelihoods is indeed out of balance. Our finite resources are dwindling. Too many people lack the most basic human needs. How will we power our economies while combating and adapting to climate change? How will we secure our financial markets under the weight of necessary change and resulting uncertainty?

Many experts are drawing a straight line from our stressed world to global calamity – brought on by the addition of two billion more people to our planet over the next 30 or so years.

But Dow's people are optimistic, because we know that science and technology can bend that line. After all, nature is science. Our natural world is chemistry.

Dow sees these economic and ecological imperatives as opportunities. They should be approached with urgency and ingenuity – but not with negativity.

It requires sweeping innovation that reconsiders and re-engineers how we source, process, produce, and distribute our energy, food, water and all the goods that make life healthy and productive.

This unprecedented call for change must be answered by countries, cultures, companies and individuals alike.

But we do see positive changes taking root all around us. In the shifting priorities of younger generations. In unprecedented collaborations that build new bridges of knowledge between governments, industries, NGOs and academia. We see less siloed and more systems approaches to city infrastructures, dwellings, food production and waste management. We see more consideration for our precious ecosystems in capital investments.

These are all catalysts for inspiration and increasing action.

Through our transformational strategy, Dow people and our innovation engine are aligned to this path of progress. 2011 saw that strategy taking root and delivering measurable results across our businesses, in the communities where we live and work, and throughout our operations:

↳ For more information on Dow's participation in the UN Global Compact, please contact:

R. N. (Bo) Miller (BoMiller@dow.com)
Global Director of Corporate Citizenship



Delivering Solutions to the world

- Announced the formation of a joint venture with Mitsui & Co., Ltd. to construct and operate the world's largest integrated facility for the production of biopolymers made from renewable sugarcane derived ethanol.
- Have now removed more than one billion pounds of trans and saturated fats from North American diet through the use of Dow's Omega-9 healthy cooking oils.
- Launched Dow POWERHOUSE™ Solar Shingle in U.S. markets, starting in Colorado and expanding into targeted states through 2012.
- Treated water at half the flow rate of Niagara Falls through Dow's water technologies, including desalination, ultrafiltration and deionization.
- Received U.S. Environmental Protection Agency (EPA) registration for Dow AgroSciences REFUGE ADVANCED® powered by SmartStax®, the most convenient, simple answer for farmers to ensure refuge compliance while providing the industry's leading trait technology.
- Launched EVOQUE™ Pre-Composite Polymer Technology from Dow Coating Materials, a revolutionary development for paints and coatings that improves hiding efficiency and enables paint manufacturers to use up to 20 percent less titanium dioxide.
- Introduced PASCAL™ Technology, a breakthrough polyurethane insulation for household refrigerators and freezers that addresses consumer demands for energy-efficient appliances.
- Announced the construction of two new manufacturing plants in Map Ta Phut, Thailand, and Schkopau, Germany, to more than triple capacity for ENLIGHT™ Polyolefin Encapsulant Films used in solar panels.

Managing our own footprint

- Honored with the 2012 Green Cross for Safety Medal from the National Safety Council in recognition of the Company's outstanding achievements in workplace safety, community service, environmental stewardship and responsible citizenship.
- Won four 2011 American Chemistry Council Responsible Care® Energy Efficiency Awards for programs that improved energy efficiency at three of the Company's U.S. facilities.
- Announced that our largest manufacturing facility in Brazil, the Aratu Complex, will add biomass to its portfolio of clean energy sources by the end of 2012.
- Saved the equivalent of \$25 billion and 5300 trillion BTUs since 1990 through Dow's energy intensity reduction projects.
- Dedicated a new 205,000 ft² Business Services Center using Dow next-generation insulation, air sealing and adhesive solutions, as well as materials embedded in end-use products which is targeted to receive a LEED® Silver rating from the U.S. Green Building Council.

Partnering for positive Change

- Announced a joint 5-year collaboration between Dow and The Nature Conservancy to help Dow and other companies recognize, value and incorporate ecosystem services into global business goals, decisions and strategies.
- Named as the first global partner of the United Nations-designated International Year of Chemistry and helped launch a yearlong global celebration of the power of science to solve the world's most pressing challenges.
- Building on our Olympics sponsorship to showcase Dow people, products, scientific excellence and commitment to sustainable solutions on a global stage.
- Named to the "Carbon Disclosure Leadership Index" by the Carbon Disclosure Project for the sixth time, and to the Dow Jones Sustainability World Index for the eleventh year, achieving the highest score in the chemical sector for corporate governance.
- Announced that our joint venture, SCG-Dow Group, has started up its new propylene oxide facility in Thailand. The world-scale plant uses innovative hydrogen peroxide to propylene oxide (HPPO) technology jointly developed by Dow and BASF.
- Announce an agreement to form a joint venture with Ube Industries, Ltd. to manufacture and market formulated electrolytes for lithium-ion batteries in energy storage applications.
- Reached an agreement with Quantum Fuel Systems Technologies Worldwide, Inc. to produce novel plug-in hybrid electric vehicle (PHEV) fleet trucks.

In this report, we also renew our commitment to the 10 principles of the United Nations Global Compact which is demonstrated through our values, our Code of Business Conduct and the broad impact of our [2015 Sustainability Goals](#).

Dow's actions continue to be driven by our values of Integrity, Respect for People and Protecting Our Planet. Our commitment to sustainability, transparency and ethical behavior remains clear, as does our long-term commitment to the interests of all our stakeholders.

I personally invite every Dow employee, customer and supplier to join us on our sustainability journey.

Sincerely,



Andrew N. Liveris

Chairman and Chief Executive Officer
The Dow Chemical Company



1.2 Key Impacts, Risks, and Opportunities

Viewing Opportunities through Megatrends

Increasingly aware of the pressure on our world created by an expanding global population, four megatrends serve as the focus of Dow's market-driven strategy. The Company focuses on developing solutions that improve products using Dow's scientific and technological advances. To effectively communicate about how Dow addresses opportunities while understanding and managing risks and impacts, a communication campaign, Solutionism has been initiated.

Global Growth

Dow and The Saudi Arabian Oil Company ("Saudi Aramco") on November 28, 2011 announced the official formation of Sadara Chemical Company ("Sadara"). Once complete, this Joint Venture, now under construction, will be one of the world's largest integrated chemical facilities and the largest ever built in a single phase. Utilizing many of Dow's industry leading technologies, the complex will possess cost-advantaged flexible cracking capabilities and produce over 3 million metric tons of high value-added chemical products and performance plastics annually.

Managing Sustainability at the Company

Chaired by the Chief Sustainability Officer, the Sustainability Team is composed of seven senior executives and serves as the Company's governance body for Environment, Health & Safety (EH&S); Public Policy Issues; and Sustainability. This team provides direct linkage to the Environmental, Health, Safety and Technology Committee of the Dow Board of Directors to assist in oversight responsibilities for Dow performance in these critical areas.

The Company uses a Business Risk Review Work Process to identify, evaluate and manage EH&S risks, including risks associated with possible failure of a product to perform as intended.

Corporate-level identification and management of risk is systematically accomplished using an Enterprise Risk Management approach. The Company assesses financial risk from many perspectives. Examples include the potential impact of weather-related impacts, access to credit, effect of foreign exchange related movements, volatility in purchased feedstock and energy costs, and pension plan related risks. Risk management results are regularly communicated to the Chief Financial Officer with a formal annual review with the Board of Directors and its Audit Committee.

An update of performance for each of the 2015 Sustainability Goals is reported quarterly on dow.com.

See the Dow 2011 10-K, PART I, Item 1A for a more complete discussion of Risk Factors.

The Megatrends ↘



2. Organizational Profile

2.1 Name of reporting organization

The Dow Chemical Company

2.2 Primary brands, products and/or services

Corporate Profile

Dow combines the power of science and technology to passionately innovate what is essential to human progress, connecting chemistry and innovation with the principles of sustainability to help address many of the world's most challenging problems such as the need for clean water, affordable housing, healthy foods and renewable energy. Dow's diversified portfolio delivers a broad range of technology-based products and solutions to customers in approximately 160 countries and in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2011, Dow had annual sales of \$60.0 billion and employed approximately 52,000 people worldwide. The Company's more than 5,000 products are manufactured at 197 sites in 36 countries across the globe.

The Company is organized into the following operating segments:

- Electronic and Functional Materials
- Coatings and Infrastructure Solutions
- Agricultural Sciences
- Performance Materials
- Performance Plastics
- Feedstocks and Energy

See the [Dow 2011 10-K](#), PART I, Item 1. Business for a description of these operating segments, including a representative listing of applications, products and trademarks for each business. See the Society section (page [84–93](#)) for more information about how Dow AgroSciences is working to deliver solutions for sustainable agriculture.

2.3 Operational structure of the organization

The ultimate authority to oversee the business of The Dow Chemical Company rests with the Board of Directors. The role of the Board is to effectively govern the affairs of the Company for the benefit of its stockholders and, to the extent appropriate under Delaware corporation law, other constituencies including employees, customers, suppliers and communities in which it does business. Among other duties, the Board appoints the Company's officers, assigns to them responsibility for management of the Company's operations, and reviews their performance.

Subsidiaries of the Company, for which the effective ownership by Dow is 50 percent or more, are listed in the [Dow 2011 10-K](#) in Exhibit 21. Information about joint ventures can be found in [section 3.6](#) below.

2.4 Location of organization's headquarters

Midland, Michigan, USA

2.5 Countries of operation

The Company operates 197 manufacturing sites in 36 countries. The Company's major production sites, including consolidated variable interest entities, are as follows:

Country	Properties
United States	Plaquemine and Hahnville, Louisiana; Louisville, Kentucky; Midland, Michigan; Freeport, Seadrift, Texas City and Deer Park, Texas.
Canada	Fort Saskatchewan and Joffre, Alberta.
Germany	Boehlen; Bomlitz; Leuna; Schkopau; Stade.
The Netherlands	Terneuzen.
Spain	Tarragona.
Argentina	Bahia Blanca.
Brazil	Aratu.
Thailand	Map Ta Phut.

Including the major production sites, the Company has plants and holdings in the following geographic areas:

United States	60 manufacturing locations in 22 states.
Canada	5 manufacturing locations in 3 provinces.
Europe, Middle East and Africa	57 manufacturing locations in 18 countries.
Latin America	31 manufacturing locations in 5 countries.
Asia Pacific	44 manufacturing locations in 11 countries.

Dow is a publicly traded company.

2.6 Nature of ownership and legal form

Total common stock outstanding at January 31, 2012 was 1,185,372,310 shares.

2.7 Markets served

Dow collaborates with customers to develop products that make lives easier at home and in the office. Our experience in polymer design and product preservation improves the performance of shampoos, lotions, hair sprays and detergents.

Information about markets served, which are listed below, can be found on dow.com under [Products and Services](#). Dow typically provides its product and service offerings to target markets on a global basis.

- Electronic and Functional Materials
- Coatings and Infrastructure Solutions
- Agricultural Sciences
- Performance Materials
- Performance Plastics
- Feedstocks and Energy



Eunice Heath

Eunice Heath became the General Manager for the Home and Personal Care business based in Philadelphia in 2009 after serving as the Director for Marketing and Sales with Dow Wolff Cellulosics. She had led the implementation

process for the integration of the acquisition of Wolff Walsrode AG. She is a recipient of the 2007 Black Engineer of the Year Award and was named a 2011 Women of Distinction winner by the Philadelphia Business Journal.

2.8 Scale of reporting organization (year-end 2011 data)

Personnel count was 51,705 at December 31, 2011 (Based on full time equivalent persons, as reported in the [Dow 2011 10-K](#))

Net Sales – \$59,985 million

Total Capitalization

Total Assets: \$69,224 million

Total Debt: \$21,600 million

Stockholders' Equity: \$22,281 million

Beneficial ownership information is found in the Dow [2011 Proxy Statement](#) on page 45.

The Company's more than 5,000 products are manufactured at 197 sites in 36 countries across the globe.

2.9 Significant changes during the reporting period

2011 Overview

Dow and the chemical industry experienced improvements in the pace of global economic recovery in the first half of 2011. However, persistent headwinds in key developed geographies led to deterioration in the pace of global economic recovery during the second half of 2011. Positive signs of a slow upturn in the first half of the year were overshadowed in the latter half by the deepening financial crisis in Europe, persistently high unemployment in the United States, and inflationary pressures in emerging geographies. This led to a reduction in consumer confidence and consequently, steep customer inventory de-stocking as the year ended.

In the face of these challenges, Dow remained focused on its strategy, delivering revenue and earnings growth, expanding its global footprint, and launching new, innovative solutions that address customer and consumer needs. Financial discipline and operational efficiency remained a priority – as evidenced by the Company's tight management of working capital and strong cash flow generation.

2011 Sales and Employees by Geographic Area (dollars in millions)



Dow's sales increased 12 percent from 2010 to \$60 billion – representing a new Company record. Excluding the impact of divestitures¹, sales rose 18 percent compared with 2010, with double-digit gains in every geographic area and every operating segment excluding Electronic and Functional Materials, which was up 9 percent. Dow's sales in the emerging geographies reached \$19.4 billion in the year, a record for the Company. Sales in Asia Pacific surpassed \$10 billion for the first time in the Company's history.

The Company reported a 1 percent decline in volume from 2010. Excluding the impact of divestitures, volume was up 4 percent, with gains in all geographic areas and all operating segments except Coatings and Infrastructure (down 1 percent), which continued to be impacted by the weak construction industry. Compared with 2010, price rose 14 percent, largely driven by a significant increase in feedstock costs. Double-digit price gains were reported in all geographic areas, as well as in Feedstocks and Energy, Coatings and Infrastructure Solutions, Performance Materials and Performance Plastics. The Company's purchased feedstock and energy costs were \$4.3 billion higher than 2010, an increase of 22 percent. Dow's earnings from joint ventures totaled \$1.2 billion for the year, representing the highest level in the Company's history. Net income available for common stockholders increased from \$1.72 per share in 2010 to \$2.05 per share in 2011.


The Company continued to invest for growth during the year, reinforcing its strategic focus on science-based innovation and technology integration. Research and development ("R&D") expenses for the year were \$1.65 billion, in line with the prior year as selected cost-reduction initiatives offset Dow's continued investment in its technology pipeline, with the most notable investments made in Agricultural Sciences, Electronic and Functional Materials, and Coatings and Infrastructure Solutions. Selling, General and Administrative ("SG&A") expenses increased 7 percent compared with 2010, reflecting increased spending in Agricultural Sciences and Electronic and Functional Materials to support new product launches and commercial activities.

The Company delivered \$3.9 billion of cash from operating activities, and reduced its net debt to total capitalization ratio 180 basis points below year-end 2010. Throughout the year, the Company had sufficient liquidity and financial flexibility to meet all of its financial obligations.

See additional information about changes in the [Dow 2011 10-K](#), PART II, Item 7.

2.10 Awards during 2011

The following awards are a sampling of the recognition earned by Dow in 2011.

Date	Award
March 2011	Dow Earns Progressive Manufacturing 100 Award
May 2011	Dow Wins Commendation for Excellence in Business Action on Health Awards
June 2011	Dow Presented with Carbon-Value Innovation Award
July 2011	United States Government Honors Dow Brazil for Exemplary Corporate Excellence
September 2011:	Dow Named for Eleventh Time to Dow Jones Sustainability Index  Dow Jones Sustainability Indexes Member 2011/12
	Dow Named to Carbon Disclosure Leadership Index
	Dow Named Top Sustainable Enterprise in China
October 2011	Dow Awarded the 2012 Green Cross for Safety Medal from the National Safety Council
November 2011	Dow Recognized as One of the Most Sustainable Companies in Brazil by Exame Magazine
	Dow Recognized as a 2011 Top 100 Global Innovator by Thomson Reuters
December 2011	Dow Recognized by Human Rights Campaign for Support of Lesbian, Gay, Bisexual and Transgender Rights

More information is provided at [Awards and Recognitions](#) on [dow.com](#).

¹ Excludes sales of the Salt business of Rohm and Haas Company divested on October 1, 2009, sales related to Total Raffinaderij Nederland N.V. ("TRN") divested on September 1, 2009, sales of a portion of the acrylic monomer and specialty latex businesses divested on January 25, 2010, sales of the Powder Coatings business divested on June 1, 2010, sales of Styron divested on June 17, 2010, and sales of the Polypropylene business divested on September 30, 2011.

3. Report Parameters

3.1 Reporting Period

Based on 2011 corporate data for the year ending December 31, 2011.

3.2 Date of most recent previous report

This is the ninth GRI Sustainability Report. The previous report covered 2010 and can be found at our Sustainability Reporting site.

3.3 Reporting cycle

Annual

3.4 Contact for questions regarding the report or its content

Johnathan DiMuro (JDiMuro@dow.com)

1-989-636-2020

Sustainability Program Management Office

Report Scope and Boundary

3.5 Process for determining report content

Two complimentary processes merged to form our picture of materiality, as defined in GRI Reporting Guidelines. The first is the development of and the attention given to the implementation of our ten-year Sustainability Goals. The second is an annual Public Policy Issues Prioritization process.

The seven goals represented by red in Materiality Assessment (on right) were declared in 2006, with specific targets to drive improvements by 2015. These remain a focus for guiding our pursuit of being a more sustainable company. Links on the Goals go to more information located within this report.

Sustainable Agriculture encompasses a number of topics of interest to a diverse audience. Dow AgroSciences products and solutions are designed to solve pressing crop production problems for our customers, boosting agricultural productivity to maximum sustainable levels to help keep pace with the growing needs of our world's rapidly expanding population.

This report is targeted to multiple audiences. However, we anticipate that those with specialist sustainability interests will be most interested in the details of this report. At Dow, the process and publication of this document is a crucial building block to the rest of our sustainability communication and disclosure, as it informs and guides these processes. We continue to consider how we can better meet the needs of our audiences and would appreciate your feedback and suggestions. See [4.14](#) for stakeholder identification.

Determining Materiality

		Low	Medium	High	
Importance to Stakeholder Assessments and Decisions	High		Water Sustainable Chemistry	Chemical Security Local Protection of Human Health & the Environment	
	Medium	Product Safety Commitment Environmentally Preferred Purchasing	Climate Change Community Success Biodiversity and Ecosystem Services	Energy	
	Low	Breakthroughs to World Challenges*		Sustainable Agriculture	
		Significance of Impacts			

Red type indicates ten-year Sustainability Goals that define direction and guide implementation.

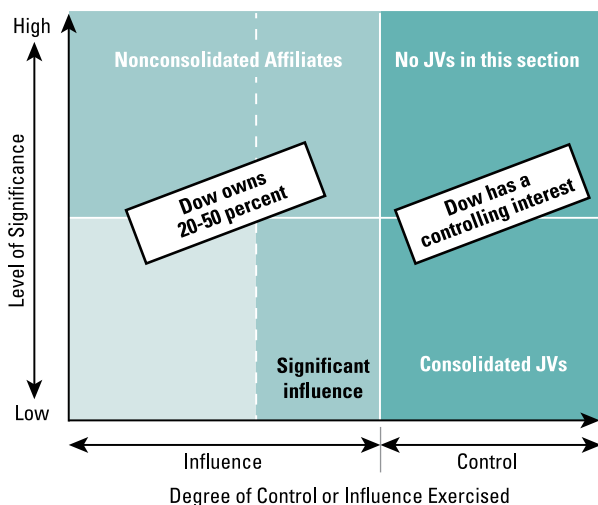
* Focus areas by 2015: **Sustainable Water, Housing, Energy and Climate Change, Food, Health and Safety**

Materiality as defined in GRI Reporting Guidelines and used for this report: **The information in a report should cover topics and indicators that reflect the organizations significant economic, environmental and social impacts; or that would substantively influence the assessments and decisions of stakeholders.**

3.6 Boundary of the report

This report covers majority-owned Dow subsidiaries over which the Company exercises control, entities for which the Company has a controlling financial interest or is the primary beneficiary, and operations in leased facilities that are Dow managed, worldwide as of December 31, 2011. Entities for which the Company has a controlling financial interest or is the primary beneficiary ("consolidated JVs") are represented in the lower right-hand part of the following diagram. At the end of 2011, the Company had 19 consolidated JVs.

Nonconsolidated affiliates are not included in the sustainability metrics of this report. This is consistent with the financial reporting treatment of accounting for nonconsolidated affiliates (20–50 percent owned companies, joint ventures, and partnerships) on an equity basis. These affiliates are represented in the upper left corner of the following diagram, reflecting their significance and the fact that management control resides within the affiliate. Background on the use of this matrix to guide the scope of inclusion can be found in the GRI Boundary and Technical protocols.



The Company's principal nonconsolidated affiliates, which accounted for more than 90 percent of Dow's \$1.2 billion of equity earnings from nonconsolidated affiliates in 2011 are listed below:

Principal nonconsolidated affiliates

Dow's principal joint ventures are:

- [Compañía Mega, S.A.](#)
- [Dow Corning Corporation](#)
- [EQUATE Petrochemical Company K.S.C.](#)
- [The Kuwait Olefins Company K.S.C.](#)
- [MEGlobal](#)
- [The SCG-DOW Group](#)
- [Univation Technologies, LLC](#)

Partner selection is critical and Dow will work only with companies that have compatible business strategies, are financially strong, and share the same perspective on business ethics, and EH&S principles. Stakeholders may be assured that joint ventures are:

- created for strategic reasons
- designed to accomplish a long-term relationship with the partner
- given appropriate management attention related to values, culture and operating standards

More information is provided on pages 82–89 of the [2011 Databook](#). Subsidiaries of the Company, for which effective ownership by Dow is 50 percent or more, are listed in the [Dow 2011 10-K](#) in Exhibit 21. Further information on Dow's principal nonconsolidated affiliates are disclosed in PART II, Item 8.- Note H - Nonconsolidated Affiliates and Related Company Transactions in the [Dow 2011 10-K](#).

3.7 Limitations on the scope or boundary of the report

This report, including links for Dow reporting found on page 5, addresses the material economic, environmental, and social impacts of the organization, within the context of the boundary of the report as described in [section 3.6](#).

3.8 Basis for reporting that can significantly affect comparability from period to period or between organizations

The basis for reporting on subsidiaries, joint ventures, leased facilities, and other entities does not significantly affect comparability from period to period, with the exception of the following:

- The April 1, 2009 acquisition of Rohm and Haas is included in Dow reporting beginning with the second quarter of 2009.
- Reporting beginning with the second quarter of 2010 excludes the Styron business unit divested on June 17, 2010.
- Reporting beginning with fourth quarter of 2011 excludes the Polypropylene business divested on September 30, 2011.

3.9 Data measurement techniques and the bases of calculations

Operating Discipline Management System (ODMS) is used throughout Dow and helps accomplish meaningful data capture and aggregation. A key element of ODMS is a measurement policy and requirements. As part of these requirements, measurements are established and performance is monitored to ensure consistent performance that meets our objectives and targets. The ODMS sets expectations on calibration, measures, measuring equipment, measurement systems and critical instruments. Several data management systems address specific requirements and are unique to the particular needs of the respective measures. Examples include the Global Emissions Inventory (GEI) system that tracks emissions, the Global Incident Reporting Database (GIRD) that records occupational health and safety events, and the Global Asset Utilization Reporting (GAUR) system that collects utilization and energy use information. Each of these examples is global in scope, and defines data collection and the bases of calculations for the respective system.

3.10 Explanation of any re-statements of information provided in earlier reports

None identified.

3.11 Significant changes from previous reporting

None identified.

3.12 Table identifying the location of the Standard Disclosures in the report

[GRI index](#) at end of report.

Assurance

3.13 Policy and practice with regard to external assurance for the report

Dow has engaged Environmental Resources Management (ERM) to review our 2011 Sustainability Report. ERM is one of the world's leading providers of environmental consulting services. They have significant experience in the assurance process. This is the fifth time Dow has included assurance as a part of the annual Sustainability Report.

Independent Assurance Statement by ERM

The Dow Chemical Company – 2011 Sustainability Report

Environmental Resources Management (ERM) was retained by The Dow Chemical Company (Dow) to provide an independent review and assurance statement for Dow's Annual Sustainability Report covering 2011 (the Report).



Scope of Work

The assurance process was conducted in accordance with AA1000AS (2008).

ERM was engaged to provide moderate level, Type 2 assurance, covering:

- evaluation of adherence to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness (the Principles); and
- the reliability of specified sustainability performance information.

In addition, ERM reviewed the Report against the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines (2011) – Application Level A criteria.

The intended user of this statement is the reader of the Report.

Assurance Work Performed

ERM tested the effectiveness of processes used to adhere to the AA1000AS Principles through management interviews, the review of data and visits to selected operations.

ERM conducted interviews with personnel at The Dow Chemical Company's headquarters in Midland, Michigan and Dow AgroSciences' headquarters in Indianapolis, Indiana and visited manufacturing operations in Plaquemine, Louisiana and Dow Central Germany (Schkopau Operations). These sites were selected to represent a range of operations and material sustainability impacts and included a site located in a non-English speaking country.

During the interviews and site visits, ERM focused on:

- Understanding the Dow business context and its sustainability strategy;
- Reviewing the Report and other relevant supporting documents;
- Understanding the logistics of Dow's data collection and reporting processes and systems, including the Global Incident Reporting Database (GIRD), Global Emissions Inventory (GEI) and Global Asset Utilization Report (GAUR);
- Checking the accuracy of a sample of data from the sites visited;
- Reviewing the mechanisms for checking and verifying data at the site, business unit, and corporate level; and
- Reviewing the process for the management of change to data, including how errors are communicated to the data providers and corrective action checked to ensure accuracy in the reported data.

The review was conducted during May 2012 and included an assessment of Dow's data collection and verification processes and the Report's content as well as the development of this assurance statement.

Responsibility and Methodology

Dow was responsible for the preparation of the Report and this statement represents ERM's independent opinion. ERM's responsibility was to express our assurance conclusions within the agreed scope.

We delivered our work in accordance with ERM's assurance methodology, which is based on AA1000AS, the GRI Sustainability Reporting Standards and the International Standard on Assurance Engagements (ISAE) 3000. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions as to whether the reported information and data set out in our scope of work was appropriately reported (moderate assurance).

The accuracy and completeness of this information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data.

Evaluation of Alignment with AA1000AS (2008)

ERM evaluated Dow's alignment with the three AA1000AS principles of inclusivity, materiality and responsiveness. ERM determined through interviews with internal and external Dow stakeholders at both the corporate and site level that Dow has

effectively included stakeholders, determined materiality of issues and responded to those issues.

Inclusivity

Dow has established robust processes for effective and quality stakeholder engagement. Discussions held as part of the assurance project with representatives of Dow's Sustainability External Advisory Council (SEAC), the business community in Midland, Michigan and the Community Advisory Panels (CAP) at the plants visited confirmed that Dow has provided a robust channel for engagement and dialogue with stakeholders and that Dow is responsive. Dow has also demonstrated their commitment to engaging their internal stakeholders through examples such as their annual Global Employee Opinion and Action Survey (GEOAS) and local sustainability committee such as that at Dow AgroSciences.

Materiality

Dow was assessed to have identified the material issues for the company and those issues that are taken into consideration when the organization or its stakeholders make decisions. Dow has a number of management processes for identifying issues that present material risks to the business. These include public affairs, enterprise risk management and GRI reporting processes. While we confirmed that Dow has identified all of the material issues, we make a recommendation that a more formal process be developed to organize this data and to provide future due process for the identification of changes to the material issues currently being managed.

Responsiveness

Dow was assessed to be responding to material issues, that is, they have developed and implemented policies, strategies and plans consistent with stakeholder and organizational interests and expectations. Dow's established goals for sustainability performance are aligned with the issues that are material to their business. The resources allocated to the goals and the quarterly tracking of progress towards these goals provides a measure of the responsiveness of the company.

ERM Conclusions

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Dow's adherence to the principles, content and quality requirements of GRI G3.1 and AA1000AS (2008) or the associated performance.

In terms of data accuracy, nothing came to our attention to suggest that data has not been properly collated from information reported from manufacturing sites. We are not aware of any errors that would materially affect the data reported.

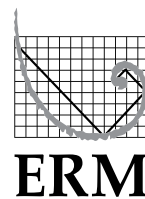
During the review period, ERM identified a number of issues that were discussed and subsequently addressed by Dow in the final draft of the Report. These issues and the associated recommendations are included in detail in a separate assurance project report to Dow management.

ERM Competence

ERM operates strict conflict of interest checks and has confirmed our independence to work on this engagement with Dow. The members of the review team have not provided consulting services to Dow outside of the review of the Report. During 2011, ERM worked with Dow on unrelated consulting engagements. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the Report. The review team has the required combination of education, experience, training, and skills for this engagement.

Environmental Resources Management
Chicago, USA
June 2012

ERM is an independent global provider of environmental, social and corporate responsibility consulting and assurance services. Over the past 4 years we have worked with over half of the world's 500 largest companies, in addition to numerous governments, international organisations and NGOs.



4. Governance, Commitments, and Engagement

4.1 Governance structure of the organization

We rely on our Board of Directors to know our Company, conduct thorough reviews and ask the difficult questions. Dow exemplifies good governance with a presiding director; directors with solid, diverse experience and credentials; corporate governance guidelines; and codes of business conduct and financial ethics. A substantial majority of Dow's Board members are independent directors. The Executive Leadership Committee and the Board of our Company are responsible for the oversight of Economic, Social and Environmental management.

See LA13 for information about the gender make up of the Board of Directors.

Dow's Corporate Officers are accountable to the Board, in addition to their management roles within the Company.

Detailed information about Dow's governance structure can be found on our website, dow.com.

Board committees, which are listed below, are described in the Company's bylaws available on the website. A Board Committee Membership chart provides an overview of members and committee roles.

- Audit Committee
- Governance Committee
- Compensation and Leadership Development Committee
- Environment, Health, Safety and Technology Committee

The Sustainability Team serves as the governance body within the Company for EH&S, Public Policy Issues and Sustainability. This team, which assists the EH&S Committee of the Board in their oversight responsibilities for Dow performance in these areas, is composed of the following members:

- David Kepler, executive vice president, Business Services, Chief Sustainability Officer and Chief Information Officer (Chair)
- Charles Kalil, executive vice president, Law and Government Affairs, General Counsel and Corporate Secretary
- Antonio Galindez, president and Chief Executive Officer, Dow AgroSciences

- Heinz Haller, executive vice president and Chief Commercial Officer
- Carol Williams, Executive Vice President and President, Manufacturing and Engineering
- Joe Harlan, Executive Vice President, President Performance Materials
- Neil Hawkins, vice president, EH&S and Sustainability – serves as the secretary of the team



4.2 Is the Chair of the Board of Directors also an executive officer?

Andrew Liveris is Chairman of the Board of Directors, and also President and Chief Executive Officer. Jeff Fettig, Chairman and Chief Executive Officer, Whirlpool Corporation, was elected as Presiding Director in May 2011.

The Board has determined that the Company and its stockholders are currently best served by having one person serve as Chairman and CEO as it allows for a bridge between the Board and management and provides critical leadership for carrying out the Company's strategic initiatives and confronting its challenges. Mr. Liveris' service as Chairman facilitates the Board decision-making process because Mr. Liveris has first-hand knowledge of the Company's operations and the major issues facing the Company, and he chairs the Board meetings where the Board discusses strategic and business issues.

4.3 Number of members of the Board of Directors that are independent and/or non-executive members

As of the end of 2011, the Board has assessed the independence of each non-employee Director based upon the Company's Director Independence standards described in the Company's Corporate Governance Guidelines. These standards incorporate the criteria in the listing standards of the New York Stock Exchange, as currently in effect, as well as additional, more stringent criteria established by the Board. Based on these standards, the Board has determined that the following 8 members of the Board are independent: Directors Barton, Bell, Fettig, Hess, Polman, Reilley, Ringler, and Shaw. These independent Directors constitute 83 percent of the full board, a substantial majority of the Board, consistent with Board policy. Of these independent members of the Board, 25% are female.

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body

Stockholders and other interested parties may communicate directly with the full Board, the Presiding Director, the non-management Directors as a group, or with specified individual Directors by any of several methods. These include mail addressed to The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674, and the "Contact Us" feature of Dow's corporate governance website at www.DowGovernance.com. The Presiding Director and other non-management Directors may also be contacted by email addressed to PresidingDirector@Dow.com.

The Dow Proxy Statement describes the requirements for submitting a proposal to be considered for inclusion in the Company's proxy material for a future annual meeting. Agenda item 5 of the 2012 Proxy Statement is an example of a stockholder proposal.

Employees are invited to give voice to their views at the HuB. This electronic venue creates an employee dialogue about far-reaching topics related to Dow. Mr. Liveris, CEO, extends the following invitation to employees: "Please share your candid and constructive discussion. Feel free to disagree – with me or with others posting to the blog. I do ask that your disagreement is respectful, adds value and moves the discussion forward. Each person visiting this site has a distinct view of our Company and of our world. Your vantage point brings real value, so give voice to your views. Help us engage in a conversation that is not only about our future but helps us shape our future."

Employees also provide input and direction through a Global Employee Opinion & Action Survey (GEOAS).

The Dow EthicsLine is a safe, reliable and convenient avenue to report ethical concerns. It is available globally, with multi-lingual capabilities, 24 hours a day, seven days a week. In addition, Dow employees can also access the EthicsLine via an on-line reporting option. No call tracing or recording devices are ever used and the users of the EthicsLine have the option to remain anonymous as permitted by the governing jurisdiction.

4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance

The compensation programs at Dow are designed to support the realization of Dow's vision to be the most profitable and respected science-driven chemical company in the world. Key objectives of Dow's executive compensation program include:

- attract, motivate, reward, and retain the most talented executives who can drive business performance and objectives
- pay for performance by emphasizing variable, at-risk incentive award opportunities which are payable only if specified financial and personal goals are achieved and/or the Company's stock price appreciates
- align pay and financial interests of our executives with stockholder value creation

See the compensation discussion and analysis section of the 2012 Proxy Statement for more detailed information.

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided

All Directors, officers and employees of Dow are expected to be familiar with the Company's Code of Business Conduct, and to apply it in the daily performance of their Dow responsibilities. The Code of Business Conduct is intended to focus employees, officers and Directors on our corporate values of integrity and respect for people, help them recognize and make informed decisions on ethical issues, help create a culture of the highest ethical and business standards, and provide mechanisms to report unethical conduct. The full text of Dow's Code of Business Conduct is available at www.dow.com/investors/corpgov/conduct/index.htm

To assess independence of Board members, the Governance Committee and the Board consider all relationships between the Directors and the Company, including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. The Company screens for such relationships using an annual Directors and Officers Questionnaire that requires disclosure of any transactions with the Company in which the Director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest.

The process for on-boarding new directors also includes a defined orientation process that includes training for guiding their fulfillment of duties as a member of the Dow Board of Directors.

4.7 Process for determining the qualifications and expertise of the members of the Board of Directors

The Governance Committee has adopted guidelines to evaluate candidates for Board membership. The guidelines provide that candidates should possess individual skills, experience and demonstrated abilities that help meet the current needs of the Board, such as experience or expertise in some of the following areas: the chemical industry, global business, science and technology, finance and/or economics, competitive positioning, corporate governance, public affairs, and experience as chief executive officer, chief operating officer or chief financial officer of a major company.

Other factors that are considered include independence of thought, willingness to comply with Director stock ownership guidelines, and absence of conflicts of interest. Please see qualifications in [The Dow Chemical Company Corporate Governance Guidelines](#).

Vision:

To be the most profitable and respected science-driven chemical company in the world

Mission:

To passionately innovate what is essential to human progress by providing sustainable solutions to our customers

Corporate Strategy:

Preferentially invest in a portfolio of technology-integrated, market-driven performance businesses that create value for our shareholders and growth for our customers.

Manage a portfolio of asset-integrated, building-block businesses to generate value for our downstream portfolio

Values:

- Integrity
- Respect for People
- Protecting Our Planet

4.8 Statements of mission or values, codes of conduct, and principles

Dow's mission, vision, values, and strategy describe why the Company exists, who we are, what we intend to do, and how we intend to do it. All of these guide our practices and priorities.

At Dow, we are committed to promoting socially responsible conduct that aligns with the 10 universally accepted principles of the United Nations Global Compact. These principles are woven throughout the Code and are also consistent with our expectations of suppliers and business partners. The Diamond Standard, Dow's Code of Business Conduct, can be found on [our website](#).

4.9 Procedures of the highest governance body for overseeing economic, environmental, and social performance, including risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles

The Environment, Health, Safety and Technology Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities by assessing the effectiveness of environment, health and safety programs and initiatives that support the Environment, Health and Safety policy of the Company and by advising the Board on matters impacting corporate social responsibility and Dow's public reputation. The Committee:

1. Review the status of the Company's EH&S and sustainability policies and performance, including processes to ensure compliance with applicable laws and regulations and programs to manage risks.
2. Review and provide input to the Company on the management of current and emerging EH&S and sustainability issues.
3. Report periodically to the Board of Directors on EH&S and sustainability matters affecting the Company.
4. Review with management of the Company, the science and technology capabilities of the Company in all phases of its activities in relation to its corporate strategies and plans and its external competitiveness.
5. Review the status of the Company's philanthropy initiatives.
6. Review the Company's public policy and advocacy priorities.

In a similar fashion, the Audit Committee of the Board oversees the quality and integrity of the financial statements of the Company and its system of disclosure controls and procedures and system of internal control over financial reporting.

The specific responsibilities of each of the Committees of the Board are found on [dow.com](#) at [Corporate Governance – Board Committees](#).

The Executive Leadership Committee is continually informed about the financial performance of the Company and is tasked in part with defining and implementing a strategy to maximize long-term shareholder value.

4.10 Process for evaluating the highest governance body's performance, particularly with respect to economic, environmental, and social performance

Each of the four Board Committees conducts an annual review of its charter and performance. In addition to this self-assessment, each committee makes regular reports to the Board of Directors. The Compensation and Leadership Development Committee and the other non-employee Directors conduct an annual review of the performance of the Chief Executive Officer.

Commitments to External Initiatives

4.11 Explanation of how the precautionary approach or principle is addressed by the organization

Dow supports the Precautionary Principle as defined in Principle 15 of the Rio Declaration. As a responsible corporate citizen, Dow continues to use a well-defined process for assessing and managing risks in the face of uncertainty. This process is science-based, ensuring decision-making includes an appropriate evaluation of risk and benefits. It applies to current products as well as those being contemplated for development.

Dow views the Precautionary Principle as an application of the principles of risk assessment and risk management. Risk assessment includes hazard identification, characterization, exposure assessment and risk assessment. Risk management encompasses the identification, selection and implementation of alternative actions for addressing risk through the control of identified hazard(s) and/or exposure.

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses

Dow signed the UN Global Compact in June 2007. The annual Communication on Progress is accomplished with this report. See the Social Disclosure on Management Approach and the letter from the CEO for more information.



United Nations Global Compact

Advocacy in the Area of Addressing Climate Change

The United States Climate Action Partnership (USCAP), an alliance including Dow and leading climate and environmental groups, works to call on the federal government to enact legislation requiring significant reductions of greenhouse gas emissions. The USCAP developed a set of principles and recommendations to guide the formulation of a regulated economy-wide, market-driven approach to climate protection.

Dow continues to participate in the Carbon Disclosure Project (CDP). This index highlights global companies that have displayed the most professional approach to corporate governance in respect to climate change disclosure practices.

Dow is a member of Caring for Climate, a voluntary action platform for those UN Global Compact participants who seek to demonstrate climate change leadership. It represents a commitment to develop corporate strategies and practices to reduce carbon emissions, to publicly disclose emissions, and to urge governments to make progress. It also provides a framework for business leaders across the globe to advance practical solutions and help shape public policy as well as public attitudes.

Dow Commitment to Responsible Care® Management System



RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

Integral to our commitment to Responsible Care®, Dow will make continuous progress toward the vision of no accidents, no injuries and no harm to the environment and will publicly report our global health, safety and environmental performance. We will lead in ethical ways that increasingly benefit society, the economy and the environment while adhering to the 12 specific commitments that guide the discipline of our Responsible Care® Management System. A key part of the Responsible Care® management system process is mandatory certification by an independent, accredited auditor. Obtaining independent certification that a management system is in place and functions according to professional standards is mandatory for American Chemistry Council member companies. During 2011 Dow continued the scheduled cycle of certifications which involved an audit by Lloyd's Register Quality Assurance for the headquarters activities and was found to be in conformance with Responsible Care® Management System Technical Specification RC101.03 standard.

Over past decades, Dow has been a leader in working with industry associations and chemical companies around the world resulting in wide participation in Responsible Care®. This management system helps every participating chemical company continuously improve its health, safety and environmental performance.

Biotechnology Principles

Dow has adopted the following principles to guide its decision-making in applying biological knowledge and techniques to develop products and services for the benefit of our customers, shareholders and society. We will pursue biotechnology in alignment with Responsible Care®, Dow's Values, and the Code of Business Conduct. We recognize that the unique scientific, philosophical and ethical implications of biotechnology must be considered.

- We will actively listen to and dialogue with stakeholders to understand their concerns and help us progress responsibly.
- We will inform the public about relevant benefits, risks, and potential implications of our biotechnology products and processes and encourage others to do the same.
- We will participate in outreach efforts and explore opportunities to make the benefits of biotechnology available to developing countries and will respect the rights of indigenous people to have access to local germ plasm.
- We will promote research on the potential benefits and safety of our biotechnology products and services for humans, animals, and the ecosystem.
- We will support the development and implementation of internationally harmonized approaches to biotechnology safety analysis and promote the creation of a predictable and scientifically sound regulatory framework to reduce scientific uncertainty, manage potential risks, and assure public confidence.
- We will apply our established corporate Environment, Health & Safety Risk Review Process, which includes a thorough consideration of the impact on humans, animals, the environment and society, throughout the life cycle of all our biotechnology products and services and will take appropriate corrective actions.
- We will support the patentability of inventions as determined by the applicable laws of the countries in which we do business and will respect the intellectual property rights of others and not knowingly infringe upon valid patents.
- We will support the conservation of biological diversity and the sustainable use of biological resources.
- We will promote these principles throughout the industry and value chain.

4.13 Memberships in associations and/or advocacy organizations

Examples of trade, business associations and alliances where Dow is an active member are shown below. Dow participates in numerous additional organizations, including many at the local and regional level.

- Alliance to Save Energy
- American Council for an Energy Efficient Economy
- American Council of Commerce (China, Japan)
- Alliance with US OSHA to share health and safety expertise
- Alliance with China SEPA to share pollution prevention practices with SMEs
- Alliance with China SAWS to share worker safety practice with SMEs
- American Chemistry Council (ACC)
- Association of International Chemical Manufacturers (China)
- Brazilian Chemical Industry Association (ABIQUIM)
- China-US Center for Sustainable Development
- Chlorine Chemistry Division of the American Chemistry Council
- Ethos Institute (Brazil)
- European Chemical Industry Council (CEFIC)
- Institute of Argentine Business Development (IDEA)
- International Council on Chemical Associations (ICCA)
- Japan Chemical Industry Association
- Plastics Europe – formerly Association of Plastics Manufacturers of Europe (APME)
- Sustainable Packaging Coalition
- The Business Roundtable (BRT)
- United States Climate Action Partnership (USCAP)
- World Business Council for Sustainable Development (WBCSD)
- China Business Council for Sustainable Development (CBCSD)
- US Business Council for Sustainable Development (USBCSD)
- Consejo Empresario para el Desarrollo Sostenible. (Argentina)
- World Chlorine Council (WCC)
- World Environment Center (WEC)
- World Resources Institute Green Power Market Development Group



Stakeholder Engagement

4.14 World Resources Institute Corporate Consultative Group list of stakeholder groups engaged by the organization

Academia	Industry and Trade Associations
Advocacy and Advisory Groups	Investment Professionals
Communities	NGOs and Think Tanks
Customers	Retirees
Employees	Shareholders
IGOs	

Stakeholder engagement takes place in a variety of other ways throughout the year. Some specific examples of intentional and purposeful listening to stakeholders occur through the following:

- The Sustainability External Advisory Council (SEAC) has represented a wide variety of external stakeholders since its initial meeting in 1992. Thought leaders are selected to represent external points of view in ongoing semi-annual meetings. Members bring their knowledge, experience and understanding to discuss issues of concern to Dow.
- Community Advisory Committees (CAPs) – Dow has been an industry leader in establishing and using CAPs in the communities where we have operations.
- The Business Sustainability Forum is a group of Dow marketing and business people, who identify trends and help enable responses to address growing sustainability requirements.

4.15 Basis for identification and selection of stakeholders with whom to engage

Stakeholder analysis helps identify and evaluate stakeholders that can and do impact or influence the Company's strategy and reputation. The intentional effort is to identify stakeholders who can drive, block or shape the discourse around sustainability. In addition, those who are affected may then influence how this discourse ultimately impacts Dow. Through keeping up with current perspectives, more successful issues management and government affairs efforts are accomplished helping to avoid negative impacts for the Company's businesses.

The selection of members for the SEAC focuses on the potential to challenge conventional thinking and press the case for adopting proactive and effective positions on important issues.

4.16 Approaches to stakeholder engagement

The fundamental principles of Dow's on-going sustainability stakeholder engagement strategy focus on three areas: (1) information sharing and disclosure; (2) participating in active dialogue; and (3) collaborating on issues of mutual interests. The overall purpose of engagement is to advance business objectives while building Dow's reputation.

The following are examples of engagement with key stakeholders in 2011. The engagements described were not undertaken specifically as part of the report preparation process.

- **A collaborative project with King Abdullah University of Science and Technology (KAUST)** allows Dow to develop innovative solutions that directly address regional water challenges. During 2011, a pilot plant to demonstrate desalination expanded an ongoing Research and Development collaboration between Dow and KAUST. The facility will initially be used for application development on the Red Sea, with the objective of developing an optimized low-cost, low-energy consuming, membrane able to meet the challenge of desalination in arid parts of the world like Saudi Arabia.

- **Terneuzen (Dow Terneuzen Employees Volunteer at the Braakman Nature) Reserve**

A group of enthusiastic Dow employees of the Terneuzen site (The Netherlands) has recently participated in the first Dow nature-volunteers working event in the Braakman nature reserve, adjacent to the site. The activity was part of a new partnership between Dow and Staatsbosbeheer, a Dutch non-profit organization that preserves state-owned nature reserves. This partnership is part of the Dow Terneuzen activities to value and protect nature, contributing to the co-habitation of business and nature. Other nature conservation activities at the Dow site include an inventory of the onsite flora & fauna to raise employees awareness and engagement on valuing the nature at the site and the needs to preserve it.

- **International Year of Chemistry**

As a global partner for the United Nations – designated 2011 International Year of Chemistry (IYC), Dow led an unprecedented international collaboration engaging more than 200 partners in all aspects of chemistry through events, educational lectures, exhibits and experiments across more than 40 countries.

- **Dow Joins The Sustainability Consortium**

Through a collaborative process, The Sustainability Consortium drives scientific research and development of standards and tools that help companies better understand and address the environmental, social, and economic implications of their products, which can lead to significant competitive advantage. The Sustainability Consortium has a broad base of support, including P&G, Wal-Mart and Coca Cola. It is jointly managed by Arizona State University and the University of Arkansas.

- **Dow collaboration with stakeholders in Latin America**

In May, more than 200 suppliers were present for the launch of the Latin American supplier's Code of Conduct. The objective to make our value chain more sustainable was reviewed and specific opportunities discussed. Also in 2011, interaction helped build perspective with key stakeholders such as Conselho Brasileiro Empresarial para o Desenvolvimento Sustentavel (Brazilian Council for Sustainable Development), Centro Empresarial pela Reciclagem (Enterprise Center for Recycling) and Conselho Brasileiro da Construção Sustentável (Brazilian Council for Sustainable Construction).

- **Sustainability Innovation Student Challenge Award (SISCA)**

In 2011, the third annual SISCA program was held with 8 Universities around the globe. The competition started in 2009 in line with the 2015 Sustainability Goals and has been established to strengthen University collaboration efforts and to recognize student enthusiasm for sustainable development, and to foster innovative and interdisciplinary project development.

- **Dow Leads International Capacity Building Workshops on Safety in Emerging Markets.**

See more information in the Product section, page 94–99.



↑ Pedro Suarez, Latin America CEO, hears everyday from customers that sustainability is important to their success and he helps the Company bring the needed attention to find sustainable solutions.

Employees

The Global Employee Opinion and Action Survey (GEOAS) measures employee attitudes on the important topics of engagement, satisfaction and commitment, and monitors perceptions about key strategic themes important to the Company. Many GEOAS items are benchmarked against feedback from other large, well-respected companies that conduct similar employee surveys.

Seven employee networks – each with a senior executive sponsor – bring together people with a common interest to share experiences, find mentors, seek professional development, and gain access to senior leadership.

- African-American Network
- Asian Diversity Network
- DisAbility Employee Network
- Gays, Lesbians & Allies at Dow
- Hispanic-Latin Network
- Middle East Intercultural Network
- Women's Innovation Network (WIN)

WIN at Dow offers mentoring and networking opportunities, and provides access to professional development tailored to the unique needs of women at critical career stages. The network is focused on catalyzing culture change by engaging champions, both men and women, across the organization. WIN also partners with a number of external organizations such as the Society of Women Engineers and Catalyst.

EVERGREEN is an employee-driven website providing sustainable living tips and resources for employees. It emphasizes that small actions employees and their families take can make a big difference together – both in helping the environment and saving money.

Communities

See the [Society Disclosure on Management Approach](#) and [SO1](#) for a description of Community Advisory Panels and the 2015 Sustainability Goal Contributing to Community Success.

4.17 Key topics and concerns raised through stakeholder engagement and how the organization has responded to those key topics and concerns

The SEAC (Sustainability External Advisory Council) provides for open dialogue between Dow's business leaders and independent external thought leaders. The SEAC challenges the way the Company thinks, helping to frame important challenges and opportunities in a creative, solutions oriented way. Examples of topics addressed include:

- Management of natural resources
- Dialogue about progress and impact of 2015 Sustainability Goals, Dow's next generation approach to sustainability
- Review of enterprise risk issues
- Dialogue on doing business in new emerging regions, including growth projects

An issue of concern to stakeholders is reform of the Toxics Substances Control Act (TSCA), the law that governs production, import and use of chemicals in the United States. Insight about the significance of the issues and the gap that

exists between many in the industry and other stakeholder positions makes this a topic in which constructive conversation is needed. Dow participated in dialogue with key NGO stakeholders in a series of meetings where both industry and the NGO community shared their positions on key framework issues. Progress was made in understanding gaps on our positions and identifying topics for future dialogue. Given that the United States Congress currently has different priorities, further dialogue with NGOs has been temporarily set aside. Dow is developing plans with stakeholders from state agencies, which are another group of important stakeholders, to convene similar dialogue sessions.

The public is increasingly interested and concerned about the presence of chemicals in people and the environment due to NGO allegations that certain 'chemicals of concern' have potential to cause harm at low levels. To address these challenges, Dow is engaged in collaborative work with industry, academics and government scientists to understand human and environmental risk. Leading the industry in endocrine screening, development of predictive toxicology capabilities and risk assessment of mixtures, Dow understands that historical testing and risk assessment methodology is not sufficient to address the questions being raised in the 21st century. We are investing more time in outreach to our downstream value chain partners to confirm our understanding of their use/exposure and to ensure that we are in a position to support them in addressing questions from consumers. With the increasing focus on Green Chemistry and more sustainable products to replace 'chemicals of concern', Dow is investing significantly in research to develop alternatives with an improved environment and health profile. We use comprehensive sustainability screening to ensure that alternative materials are indeed improved over existing products. Dow believes these collective efforts have the potential to increase consumers' confidence in our materials and result in a competitive advantage.

Dow provides information about historical [issues and challenges](#) such as Agent Orange, asbestos, Bhopal and dioxin on Dow.com. Recent plans that address the resolution of the dioxin issue in Midland, Michigan are available at Dioxin Resolution Website: www.midlandresolution.com/



Carol Eicher

"Diversity of thought is essential for running a successful business. By enhancing gender diversity at Dow we stimulate the different talents and perspectives that men and women bring to overcome the barriers that stand in the way of innovation, growth and success. I am grateful that in my role as mentor of the women innovation network (WIN) for the Middle East I can contribute to developing and engaging women to bring diversity of thought to all levels of the company."

The Economic Impact of Sustainability



Economic Summary

As the Company pursues its corporate target to deliver \$10 billion in EBITDA in the near term, we recognize the need for Dow's problem-solving expertise to be used to help address the world's most difficult challenges. By understanding the direct and indirect value associated with innovations we will help meet the current and future needs of humanity society.

As a manufacturing company, Dow realizes that our innovations generate value at multiple steps in the downstream value chain. New chemistry pioneered by Dow enables the performance of high technology products. More efficient processes deployed by our operations reduce the purchase and usage costs of products. We seek opportunities to partner with others, believing that breakthrough solutions to challenging problems are often best addressed through collaboration.

KEY ACCOMPLISHMENTS FOR 2011

2011 was a year of significant achievements and further evolution of our transformational strategy. Even in this environment of economic uncertainty, Dow's transformation was clearly evident as we continued to deliver both top and bottom line growth, launched game-changing investments and partnerships, commercialized new innovations and strengthened our balance sheet.

- › Reported full-year 2011 earnings per share of \$2.05, up 19% compared with prior-year earnings of \$1.72 per share.
- › Achieved record sales of \$60 billion, up 12% versus the prior year.
- › Equity earnings totaled \$1.2 billion, the highest result in the Company's history.
- › Continued to deleverage the balance sheet by achieving net debt¹ to total capital ratio of 40.8%.
- › Increased the dividend by 67%.

INDIRECT ECONOMIC IMPACTS

Dow understands the importance of a strong manufacturing economy, and the importance of manufacturing jobs on the local and global scale. Each job in manufacturing is responsible for multiple indirect jobs created in the regions we do business. We strive to be a good neighbor as well as a global corporate citizen. Through our actions, we know that we are building better, stronger, more sustainable communities in the places where we do business. Our site and local charitable contributions are illustrated in [EC8](#) below.

For major organizational risks and opportunities, see [section 1.2](#) in Profile and [EC2](#) below. Please consult Dow [financial reports](#) and quarterly [earnings](#) information for externally reported financial information.

Use the [index](#) to find indicators of most interest to you in this section.

¹ Net debt equals total debt („Notes payable“ plus „Long-term debt due within one year“ plus „Long-Term Debt“) minus „Cash and cash equivalents,“ and „Marketable securities and interest-bearing deposits.“

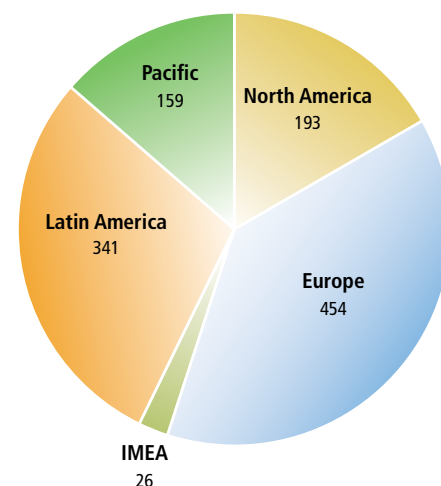
Economic Performance Indicators

EC1 Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers

Economic value retained, dollars in millions

	2011	2010
Revenues	59,985	53,674
Operating Costs	46,332	40,396
Wages/Benefits	6,954	7,364
Payments to providers of capital	2,559	2,450
Payments to governments	1,173	784
Donations/Community investments	44	36
Economic value retained	2,923	2,644

Taxes paid in 2011 – \$1,173 million

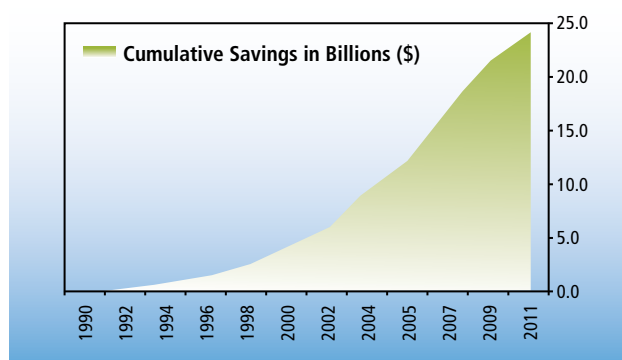


EC2 Financial implications and other risks and opportunities due to climate change

A sustainable energy future requires sharpening our focus on manufacturing efficiency inside our company while maximizing the contributions of Dow products to improve efficiency and expand affordable alternatives. Energy is an enabler of global economic growth, and energy efficiency remains critical to meeting the world's energy demands. Dow's manufacturing energy intensity, measured in BTUs per pound of product, has improved more than 40% since 1990, saving the Company a cumulative \$24 billion and 5,200 trillion BTUs. This is roughly equivalent to the annual energy consumption of 48 million single-family homes.

We project the result of our current Energy Efficiency Goal (2005–2015) will yield a cumulative savings of more than \$1 billion and 190 trillion BTUs.

Energy Efficiency Savings



Dow, through its science and technology capabilities, is committed to bringing solutions to the challenge of climate change by producing products that help others reduce green house gas ("GHG") emissions, such as lightweight plastics for automobiles and insulation for energy efficient homes and appliances. For example, Dow's building insulation materials and air-sealing products can save up to 20 percent on heating and cooling costs and significantly reduce GHG emissions. The Company's STYROFOAM™ insulation is installed in more than 20 million buildings worldwide, saving over \$10 billion in energy costs annually. Dow's DOWTHERM™ A heat transfer fluids are used in 14 large concentrating solar power plants, with a total capacity of over 700 megawatts. These plants will provide power for the equivalent of approximately 415,000 homes and save 1.6 million metric tons of carbon dioxide emissions per year.

Gains made toward Dow's Energy Efficiency goal will directly impact progress in reducing GHG intensity. Dow is studying the life cycle impact of its products on climate change and additional global projects that could offset the Company's overall GHG emissions through GHG reduction.

The Company has some units subject to the European Union's Emissions Trading Scheme ("EU ETS"); the Company has not

experienced any considerable impact in regard to regulated GHG emissions from the EU ETS. Dow will continue to evaluate and monitor future developments that may affect operations in the region. Additional units will be subject to EU ETS in phase 3.

Dow's Energy & Climate Change Policy and Issue Management Team is tasked with developing and implementing a comprehensive strategy that addresses the challenges of climate change and energy security and is advocating an international framework that establishes clear pathways to help slow, stop and reverse the rate of GHG emissions globally.

In 2011 Dow spent approximately \$2.7 billion to purchase energy (fuel, electricity and steam), so a hypothetical 10% increase in energy cost would have an impact of \$270 million. Due to considerable uncertainty in this area, actual impacts to energy prices around the world could be greater than or less than this hypothetical example of 10%. See [Dow 2011 10-K](#) for the fiscal year ending December 31, 2011 – page 67 for additional information and the Dow [Carbon Disclosure Project](#) report for 2011.

EC3 Coverage of the organization's defined benefit plan obligations

Dow offers defined benefit pension plans in several countries where defined benefit plans are common. The largest of these plans are in the United States, Canada, The Netherlands, Switzerland and Germany. The plans are funded by the Company.

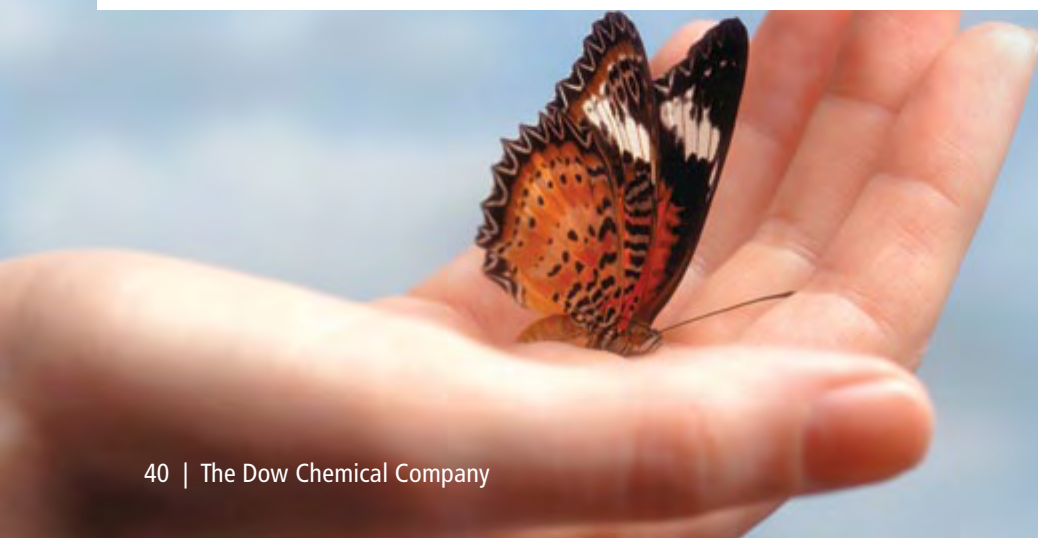
It is Dow's policy to contribute to defined benefit plans where pension laws and economics either require, or encourage funding. As such, most of our pension plans are funded through separate trusts or legal entities, with the notable exception of Germany where defined benefit plans are commonly book reserved. Dow also has unfunded plans for compensation above qualified or registered plan limits in the United States and Canada. All funded plans are in compliance with all local funding laws. The aggregate projected benefit obligation ("PBO") under U.S. GAAP as of December 31, 2011, for all of Dow's major defined benefit plans was \$22.8 billion with an aggregate fair value of assets of \$16.1 billion. Contributions to Dow's defined benefit plans are determined by funding regulations, negotiation with Trustees (where applicable) and economics. The corporate Benefit Governance and Finance Committee or CFO, as applicable, must approve any funding in excess of legal minimums.

Dow also offers defined contribution plans in many countries. Typically Dow encourages employee contributions to plans by offering matching contributions. The plan formulas in each country are designed to be competitive within that country. Since pension plans and other retirement benefits build upon social security, and social security benefits vary widely by country, Dow's plan varies considerably country to country.

EC4 Significant financial assistance received from government

Funding program	Title	Project Face Value (\$MM)	Tax Credits (MM \$)
Dutch National	Catalysis for Sustainable Chemicals from Biomass	39.2	
Dutch National	Self-Healing low-surface-energy coatings: an experimental/simulation approach	0.8	
Dutch National	Heterogeneous catalysis in structured reactors	2.7	
European Commission	Dynamics of Architecturally Complex Polymers	5.1	
European Commission	Multi-scale modeling of interfacial phenomena in acrylic adhesives undergoing deformation	6.2	
European Commission	New PU Foaming Technology for the Cold Appliance Industry Assuring a Cost-Efficient Ecodesign with Augmented Energy Saving	4.2	
European Commission	Integrated European Industrial Risk Reduction System	16.5	
German National	Light and resource-efficient electric car bodies in multi-material construction method	11.4	
US-DOD	Demonstration of New, Highly Perchlorate-Selective Ion Exchange Resin Coupled with Resin-Optimized, Single Vessel Engineering Design	2.4	
US-DOE	Fully Integrated Building Science Solutions for Residential and Commercial Photovoltaic Energy Generation	12.9	
US-DOE	Integrated Pilot-Scale Biorefinery for Producing Ethanol from Hybrid Algae	65.4	
US-DOE	Advanced Insulation for High Performance Cost-effective Wall, Roof and Foundation Systems	5.9	
US-DOE	US China Clean Energy Research Center (CERC): Building Energy Efficiency Center	25.0	
US-DOE	Energy Efficient Housing Research Partnerships	1.4	
US-DOE	Transformational Approach to Reducing the Total System Costs of Building Integrated Photovoltaics	23.5	
US-MSF	Engineered Carbon Fiber / Development and Commercialization of Low-Cost Industrial-Grade Carbon Fibers	7.8	
US-MSF	Development of technology for improved equipment and materials for the automated manufacture of wind-turbine blades.	1.1	
US-Fed	Dow Solar Solutions: 48C US Federal Tax Credit		17.8
US-Fed	Dow Specialty Films: 48C Tax Credit		2.2

There is not a government presence in the shareholding structure related to the assistance received.



EC5 Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

Dow offers competitive employee base pay, which is determined through a salary survey process. This process benchmarks compensation at competitive companies and helps Dow maintain employee pay that is tailored to geographically competitive standards. The entry level wage offer will vary based on the job role, experience, and responsibilities but is not varied due to gender.

In addition to employee base pay, where applicable, employees participate in Dow's annual variable pay program, which is dependent on individual and Company results.

EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation

Dow will conduct business with suppliers who are globally competitive and who will provide the lowest long-term costs. Dow is dedicated to working closely with local suppliers to educate them about our strategic purchasing requirements. The Company now provides a Code of Business Conduct for Suppliers to help make business conduct requirements clear. The use of local suppliers or local content is considered in all purchasing decisions.

Purchases that are from local-based suppliers vary significantly based on factors such as availability of raw materials. For U.S. locations, local is defined as from suppliers within the state, and for other locations, local is defined as from within the country. Zhangjiagang China local purchases are impacted by a divestment in 2010 and are not directly comparable.

EC7 Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation

In 2010, we hired 4,119 people around the world. Ninety-one percent were local (from the country in which they were hired). Areas with a significant growth emphasis accomplish a very high percentage of hires from within the respective country: China (97 percent hired have a Chinese citizenship), Korea (97 percent), and India (90 percent). The majority (approx 60 percent) of senior management hiring in 2010 was in-country. This percentage is lower than in 2009, not due to a change in strategy, but due to changing labor markets and a greater number of hires.

The organization does grant preference to local residents when hiring in significant locations of operation in order for our workforce to reflect the places where we do business.

Example Site	State	Country	% of purchases that are local	
			2010	2011
ARATU		BRAZIL	98%	99%
ZHANGJIAGANG		CHINA	61%	93%
FREEPORT	TEXAS	UNITED STATES	43%	50%
STADE		GERMANY	34%	37%
RHINE CENTER		GERMANY	31%	21%
HAHNVILLE	LOUISIANA	UNITED STATES	24%	23%
TERNEUZEN		NETHERLANDS	23%	21%
MIDLAND	MICHIGAN	UNITED STATES	22%	27%
PITTSBURG	CALIFORNIA	UNITED STATES	17%	12%
PLAQUEMINE	LOUISIANA	UNITED STATES	17%	16%

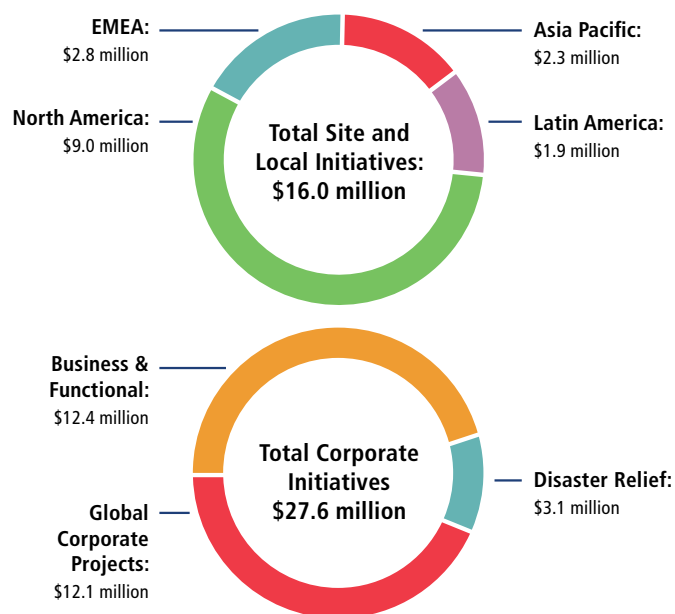
EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement

Through financial contributions and the volunteer efforts of our employees, Dow supports programs that address education, the environment and economic success – all important aspects of community sustainability. In 2011, Dow and The Dow Chemical Foundation contributed \$43.6 million to hundreds of programs globally. In-kind contributions for product were valued at an additional \$6.63 million and \$1.17 million for equipment. The organization assesses community quality of life where we have major presence sites. See Summary Section for more information.

See the Society Summary section for a description of the [Dow Sustainability Corps](#) which is a way for the Company to provide public benefit through the talents of Dow people deployed on projects that rely directly on their areas of expertise.

Habitat for Humanity

Dow was the first corporate sponsor of Habitat for Humanity – almost 29 years ago. Over that period we have donated over \$37 million in cash and gift-in-kind products and participated in project activities in more than 20 countries. Please check out specific project activities at our Habitat [Upcoming and Past Builds site](#).



EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts

Dow does not attempt to estimate its indirect economic impact using a measure of currency. To do so for the very diverse circumstances of our situation in communities and in the economy of areas of Company operations would be an arduous task and the result would not be actionable.

One of the Company's 2015 Sustainability Goals, Contributing to Community Success, is designed to improve the quality of life in the communities where we have a significant portion of our employees. The impact is assessed over time, not in currency, but through survey results that inform about the acceptance rating that the community has of Dow as part of the local economy and community.

Another example of indirect impact takes place far from the locations where Dow has operations. A video explains how Dow HIV/AIDS outreach has supported orphanages that house children who once had no hope of living past early adulthood: Murray's Letter.



Taking Responsibility for Our Impact on the Environment



Environmental Summary

Dow holds **Protecting Our Planet** as a core value; Dow's commitment to the health of our shared environment is strong and growing.

In January 2011, Dow and The Nature Conservancy announced a 5-year, \$10 million collaboration to help Dow and the business community recognize, value and incorporate nature into global business goals, decisions and strategies. The Collaboration is currently analyzing and valuing ecosystem service dependencies and impacts at Dow's largest global manufacturing facility, Texas Operations in Freeport. More information on the first year of the collaboration can be found [here](#).

At Dow, each employee has the responsibility to ensure that our products and operations meet all applicable government and/or Dow standards – whichever is more stringent. Dow achieves manufacturing excellence through effective implementation and leveraging of Most Effective Technology and Operating Discipline practices within and between businesses. EH&S requirements are among the drivers for continuous improvement of manufacturing processes and Most Effective Technology, and subject matter experts from functions and businesses collaborate closely to improve our performance, and ensure continued progress against the 2015 Sustainability Goals.

We strive to eliminate all injuries, prevent adverse environmental and health impacts, reduce waste and emissions, and promote resource conservation at every stage of the life cycle of our products. Employees are involved in job-specific training and awareness programs that range from manufacturing specific safety processes and emergency response procedures to Waste Reduction Always Pays (WRAP) and the Drive to Zero safety performance program. The Company recently launched an emphasis focusing on Life Critical Standards to further influence safety awareness and human behavior in a global effort to further improve our safety performance.

The following table summarizes progress for many of the environmental goals that are part of the focus referred to as Local Protection of Human Health and the Environment. More information is provided in our quarterly [Goal Update](#).



Progress on 10 Year Environmental Goals

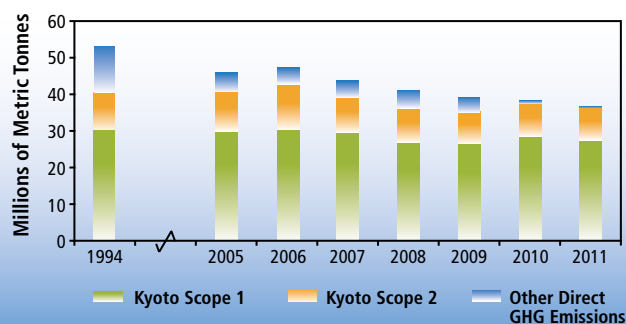
Targets (base year 2005)	2011 Performance	2011 Result	2015 Target
By-Product Synergy At least 300MM lbs upgraded by 2015		310	more than 300MM
VOC Emissions 30% reduction from 2005 level		-34%	-30%
Priority Compound Emissions 30% reduction from 2005 level		-41%	-30%
NO_x Emissions 30% reduction from 2005 level		-29%	-30%
Hazmat Transportation LOPC Count Less than 14 incidents in 2015		17	14
Highly Hazardous Material Tonne-Miles Reduce tonne-miles by 50% from 2005 level		-37%	-50%

Other Local Protection commitments found within this report

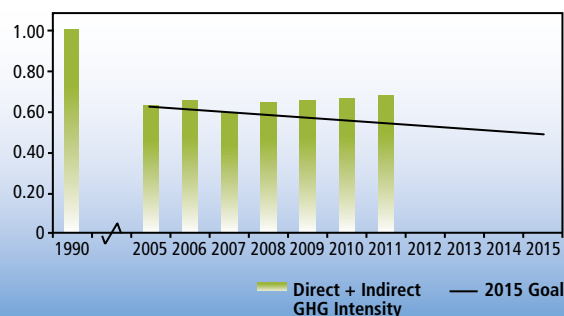
- › Injury and Illness [LA7](#)
- › Loss of Primary Containment

In addition to our commitment to Local Protection of Human Health and the Environment, we have a 10 year improvement goal focused on Climate Change and our Green House Gas footprint. During 2011 we set a new goal to limit total global Green House Gas (GHG) emissions to the level that Dow experienced in 2006, growing our Company, but not the emitted carbon. During 2011 the GHG emissions declined 3 percent, reducing our carbon footprint by 1.2 million metric tons compared to 2010.

Absolute Greenhouse Gas Emissions as CO₂ Equivalent



Intensity of Kyoto GHG as CO₂ Equivalent



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. Dow's goal will be to maintain GHG emissions below 2006 levels on an absolute basis for all GHGs, thereby growing our Company, not the carbon. Dow will continue to focus on managing its footprint and delivering solutions to help our customers manage theirs. For example, Dow's insulation products contribute to greater energy efficiency, helping avoid millions of metric tons of GHG emissions per year.

The most senior position with responsibility for environmental aspects is the Chief Sustainability Officer, which is held by David E. Kepler II.

Additional contextual information is available:

- › Further information on Dow's environmental matters are disclosed in PART II, Item 7 – Other Matters – Environmental Matters in [Dow 2011 10-K](#). [Our Commitments](#) to Sustainability, including the environment, can be found on [dow.com](#).

Use the [index](#) to see indicators that you may find of most interest in this section.

Environmental Performance Indicators

The Company uses an emissions tracking system that is by facility, site and business. This multi-layered review process provides a discipline to maintain the quality of data captured. A management of change process is used to document data corrections.

EN1 Materials used by weight

The Company operates in an integrated manufacturing environment. Basic raw materials are processed through many stages to produce a number of products many of which are intermediate products used by our customer to produce goods you will find all around you. Two basic raw materials are the basis for many of the Company's products: chlor-alkali and hydrocarbon raw materials.

Salt, limestone and natural brine are used in the production of chlor-alkali products and derivatives. The Company owns salt deposits in Louisiana and Texas; Alberta, Canada; Brazil; and Germany. The Company also owns limestone deposits in Texas.

The Company purchases hydrocarbon raw materials including liquefied petroleum gases, naphtha, natural gas and condensate. These raw materials are used in the production of both saleable products and energy. The Company also purchases electric power, benzene, ethylene, and propylene to supplement internal production. Expenditures for hydrocarbon feedstocks and energy accounted for 42 percent of the Company's production costs and operating expenses in 2011. Other significant raw materials include acetone, aniline, phenol, styrene, methanol, ammonia, formaldehyde, acetic acid and polystyrene.

Materials purchased, including hydrocarbons that were consumed as fuel, were of the magnitude of 75 million metric tons. An additional 15 million metric tons of brine was mined as raw material for chlorine-related production. The mass of materials shipped in final products (direct materials) was of the magnitude of 45 million metric tons.

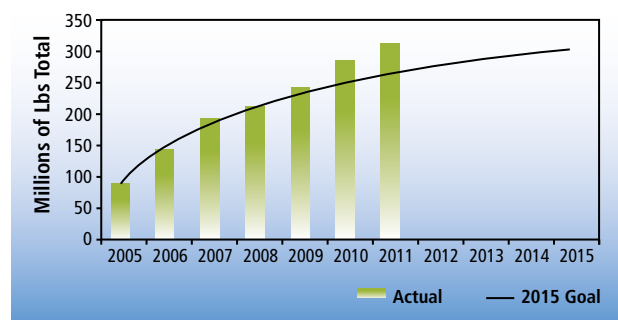
EN2 Percentage of materials used that are recycled input materials

The opportunity to take back recycled input materials from our customers is limited and does not total a meaningful percent of materials used. The Company has focused on recycle opportunities in the following ways:

To effectively steward raw materials and limit waste the Company set a goal to implement 300 million pounds of by-product synergy between 2005 and 2015. As of the end of 2011, we have identified and redeployed over 310 million pounds of useable material reaching our 2015 commitment three years early. The by-product synergy effort matches

under-valued by-product streams from one facility with potential users at another facility to create new revenues or savings with potential social and environmental benefits instead of disposing as waste. See more on how companies are collaborating to help find these synergies through the World Business Council for Sustainable Development.

By-Product Synergy



The Chlor-Alkali business is the major feedstock producer for Dow processes that use chlorine. In some cases, instead of consuming the chlorine, a manufacturing process will "rent" the chlorine molecule. Afterward, the chlorine molecule is returned as hydrochloric acid (HCl) to the Chlor-Vinyl business, which uses it to make key raw materials for products such as polyvinyl chloride (PVC).

The Chlorinated Organics business recovers chlorinated by-product streams and turns them into raw materials for refrigerants, pharmaceuticals and other products for sale on the merchant market. The combined value of Dow's Basic Chemicals recycling engines conserves more than \$200 million per year in raw material costs. In addition, these recycling processes avoid disposal of hundreds of railcars of waste annually.

One example of the use of recycled material coming from external companies is in the production of perchloroethylene by Dow Chlorinated Organics. Carbon tetrachloride by-product streams are used to harvest chlorine molecules. The generators of carbon tetrachloride avoid high disposal costs and Dow captures chlorine molecules as a useful raw material.

Aspect: Energy

EN3 Direct energy consumption by primary source

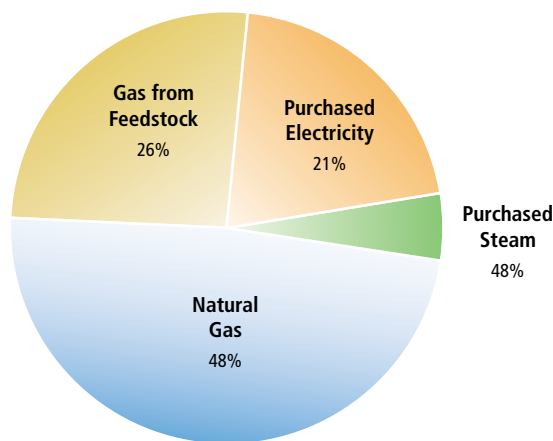
The direct energy consumed by the Company to produce product in 2011 was 413 trillion Btus, or 436 million gigajoules. Approximately 65 percent of this direct energy was generated from purchased fuel gas and 35 percent was fuel from feedstock.

EN4 Indirect energy use by primary source

Indirect energy is a challenge to aggregate by source in a company with diverse operations that operate globally and engage in the purchase and the sale of energy. In 2011, the Company estimates that indirect energy to produce product came from power and steam totaling 160 trillion Btus, or 169 million gigajoules. In addition to this energy for operations, Dow is consuming approximately 1.6 million gigajoules in lab and office space around the world.

Approximately 7 percent of purchased electricity is hydroelectric and 93 percent is assumed to be from fossil fuels, though an analysis of the primary source of the generators of that energy has not been completed.

Sources of Energy Consumed by Dow Manufacturing Operations



EN5 Energy saved due to conservation and efficiency improvements

Dow's manufacturing energy intensity, measured in BTUs per pound of product, has improved more than 40% since 1990, saving the Company a cumulative \$24 billion and 5,200 trillion BTUs.

This is roughly equivalent to the annual energy consumption of 48 million single-family homes. The 2015 Energy Intensity Goal is expected to yield a cumulative savings of more than \$1 billion and 190 trillion BTUs. This is equivalent to the annual energy consumption of over 1.7 million single-family homes.

Energy intensity improved 22 percent during the first 10-year Energy Intensity Goal (1994–2005), exceeding the 20-percent improvement target for the period. In 2006, Dow defined a new 10-year Energy Intensity Goal to drive an additional 25-percent improvement in energy intensity by 2015 using 2005 as the basis for comparison. At the end of 2011 we had improved our intensity by 2.6% compared to 2005. We report our progress quarterly at the [Reporting Center](#).

EN6 Initiatives to provide energy-efficient or renewable energy-based products and services

Dow has pioneered the use of insulation products to make buildings more efficient for over 60 years with STYROFOAM™ brand extruded polystyrene insulation. Dow continues to demonstrate its innovation and ongoing commitment to providing brand leading and innovation solutions to the marketplace. Many insulation products from Dow Building Solutions have been certified by the Cradle to Cradle® Certification program, a well-known, eco-label that assesses a product's safety and environmental impact. Dow offers a [comprehensive line of solutions](#) to meet building and construction needs.



By converting solar energy into electricity and reducing the need for the homeowner to pull energy from the grid, clean sunshine is now being captured and converted to electric power helping to avoid the burning of fossil fuels. POWERHOUSE™ shingles are designed to help keep up front system cost lower by providing the function of the residential roof through the same building unit that encompasses the collection surface. It installs in the same way as a traditional shingle roof, requiring no unique mounting system. The concept is described as Building Integrated Photovoltaic (BIPV). The first larger scale installation took place in October on 50 new homes in the Spring Mesa, Colorado. During 2012, increasing capacity to produce the product will lead to introduction in additional states across the U.S., from California to the East Coast. More information can be obtained at www.dowsolar.com.

Dow Electronic Materials is creating new materials and processes for the manufacture of silicon solar cells. Texturing is one of the key process steps which etches the silicon surface to minimize light

reflection from the wafer surface, thereby improving the power output of the cell. New texturing chemistries are being developed to reduce VOC's and flammability hazards and new technology for copper electroplating will enable optimized cell designs while significantly decreasing the cost of consumable materials.

Dow ion exchange resins are used in a variety of applications in the energy sector. DOWTHERM™ Performance Fluids enable thermal solar power plants to collect heat and convert it to electrical energy. Learn more about Dow Water and Process Solutions and the power generation applications here:

Dow Water and Process Solutions

Windmill blades that use STYROFOAM™ brand extruded polystyrene and AIRSTONE™ Systems for Wind Energy are key components in many wind turbines operating today. [Learn](#) how Dow is helping create lighter, stronger and longer turbine blades that are helping harness more energy than ever.

Alternative Feedstocks

More than 96 percent of all manufactured products are based in chemistry – and the building block for this begins with feedstocks. The challenge is that most feedstocks are also the world's most highly sought-after commodities – oil and natural gas. Dow is searching for [alternative feedstocks](#) for manufacturing in an energy-challenged world.

In 2010 the Company announced that its largest manufacturing facility in Brazil, the Aratu Complex, will add biomass to its [portfolio of clean energy sources](#). The renewable fuel source is fast growing eucalyptus trees. As of the end of 2011, 2,200 hectares of trees have been planted and start up of the facility is scheduled for March of 2013. Aratu will be more than 75 percent sourced for power and steam through hydropower and eucalyptus cogeneration when the biomass plant is fully operational.

EN7 Initiatives to reduce indirect energy consumption and reductions achieved

About a third of the energy required to produce product is indirect. We work to improve the energy efficiency of indirect energy consumption in the same way that we address and track direct energy consumption. Energy efficiency savings are reported in [EN5](#).

Cost reduction efforts involving employee office behavior, purchasing of materials, outbound shipping, commuting, and subcontracted production are not significant when compared to the hydrocarbon raw materials and energy requirements of Dow. The reductions achieved have not been quantified.

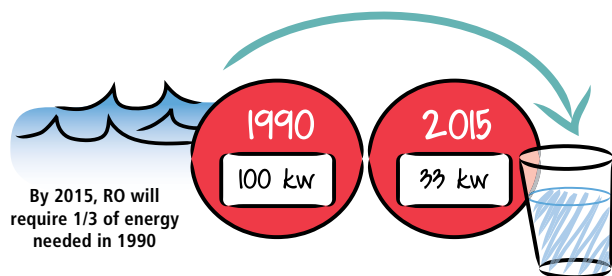
Aspect: Water

CEO Water Mandate

Dow is a participant in the CEO Water Mandate, which seeks to make a positive impact with respect to the emerging global water crisis by mobilizing companies to advance water sustainability solutions in partnership with the United Nations, civil society organizations, governments, and other stakeholders. This voluntary initiative creates a platform to share best and emerging practices and to forge multi-stakeholder partnerships to address the problems of access to water and sanitation.

The Dow Water & Process Solutions business is a leading global supplier of advanced technologies for purification and separation processes that make water safer, cleaner and more available. Offerings are used throughout the world to improve the quality of drinking water and the water that is critical to essential industrial processes like chemical processing, power generation and the manufacturing of food and pharmaceuticals. Dow technology is also vital to desalination and water reclamation efforts in communities with severe water shortages. Dow Water and Process Solutions business is constantly improving the performance and energy intensity of water purification technology.

Energy Requirements for Reverse Osmosis Filtration



Dow's site at Terneuzen, The Netherlands, continues to implement water reuse efficiency through a pipeline providing municipal wastewater for industrial purposes. In collaboration with the local water providing company, Dow accepts 9600 m³ of water every day. Using a two-stage DOW™ FILMTEC™ Reverse Osmosis (RO) Membrane system more than 70 percent of the water is purified to generate demineralized water for producing steam and feed water for manufacturing plants.

Thus, the city of Terneuzen's wastewater gets a second, and after another internal recycle as cooling tower supply water, even a third life at Dow. After the installation of a membrane bioreactor at the municipal wastewater treatment plant in 2010, the quality of the effluent recycle water is stable and robust. In 2012, a European Union funded project will pilot partial desalination of alternative internal and external recycle streams to make these of appropriate quality for reuse.

Dow Water & Process Solutions at Work:

Dow is making a multitude of investments in innovations that address water and energy challenges:

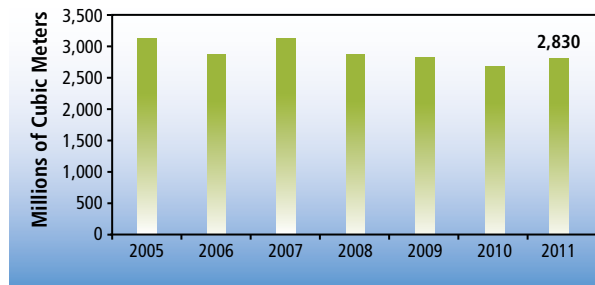
- › Dow inaugurates the [Global Water Technology Development Center](#) in Tarragona, Spain
- › [New manufacturing facility](#) for DOW™ FILMTEC™ Reverse Osmosis (RO) Elements, located in Jubail Industrial City, Saudi Arabia
- › [Dow Launches Innovation and Sustainability Agendas at KAUST](#), supporting an R&D Center at the King Abdullah University of Science and Technology in Saudi Arabia
- › [Plans announced for a new world-class reverse osmosis membranes manufacturing plant](#) in Saudi Arabia

Dow is raising awareness of freshwater sustainability through its \$10 million, five-year collaboration with The Nature Conservancy (TNC). Texas Operations in Freeport, the first of three global pilot sites with The Nature Conservancy, is investigating future freshwater supply as well as valuation of this critical ecosystem service. Read more about this innovative collaboration at the [TNC-Dow Collaboration website](#).

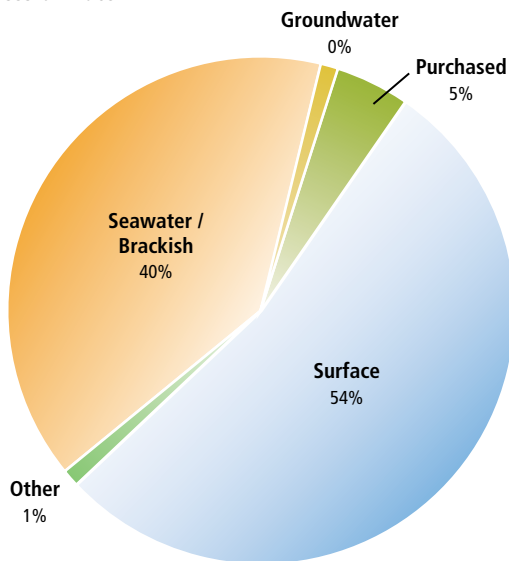
EN8 Total water withdrawal by source

Water intake is from all water sources including seawater and includes water for cooling purposes.

Water Intake



Sources of Water



EN9 Water resources significantly affected by withdrawal of water

Dow manufacturing facilities located in water-stressed regions (as defined by the World Business Council's Global Water Tool) are shown below. In Seadrift, Texas feasibility studies are examining ways to maximize water recycle opportunities by incorporating a Zero Liquid Discharge mindset. Water stewardship activities in Terneuzen, the Netherlands include an effort by the European Chemical Industry submitted under a program identified as "Eco-efficient management of industrial water". Terneuzen is also demonstrating the effectiveness of developing low cost process water through "mild desalination" with first demonstration to be starting up in Q2 of 2012.

Dow location	Source
Seadrift, Texas	Guadalupe River
Aratu, Brazil	Purchased freshwater
Bahia Blanca, Argentina	Purchased freshwater
Terneuzen, The Netherlands	Rivers Rhine and Meuse
Tarragona, Spain	Purchased freshwater supply, source is Ebro River diversion
Dow Central Germany	River Saale (Schkopau site), River Weisse Elster and Lake Witznitz (Bohlen site)
Freeport, Texas	Brazos River

EN10 Percentage and total volume of water recycled and reused

Recycle and reuse totals are not compiled for the total Company.

Dow Freeport, Texas, through recent collaboration with the local municipality is now recycling municipal wastewater for industrial use resulting in a savings of 13,600 m³ per day of freshwater demand.

Dow Terneuzen is integrated with local municipalities to source local municipal sewage treatment discharge water for industrial use. Combined, the projects result in an 80% recycle rate of freshwater and annually reduce treatment chemicals by 500 tons, reduce CO₂ emissions by more than 57,000 tons, reduce energy sufficient to power 1,000 residences, and preserve the local freshwater supply. The municipal recycle project achieves enhanced quality and reuses 9,600 m³ per day of wastewater from the community helping to reduce surface water withdrawal.

Aspect: Biodiversity

The Dow Chemical Company appreciates the impacts we have on nature and our dependencies on the critical services that nature provides and has a strong history of philanthropic giving to support the protection of nature.

2011 marks the first year that Dow has compiled its global efforts related to Biodiversity and Ecosystem Services into one public report. In alignment with the company's 2015 Sustainability Goals, it is common to see Dow volunteers active in their communities and nature preserves.

In 2011, we added a bold dimension of leadership through our collaboration with The Nature Conservancy to determine the business value of ecosystems services.



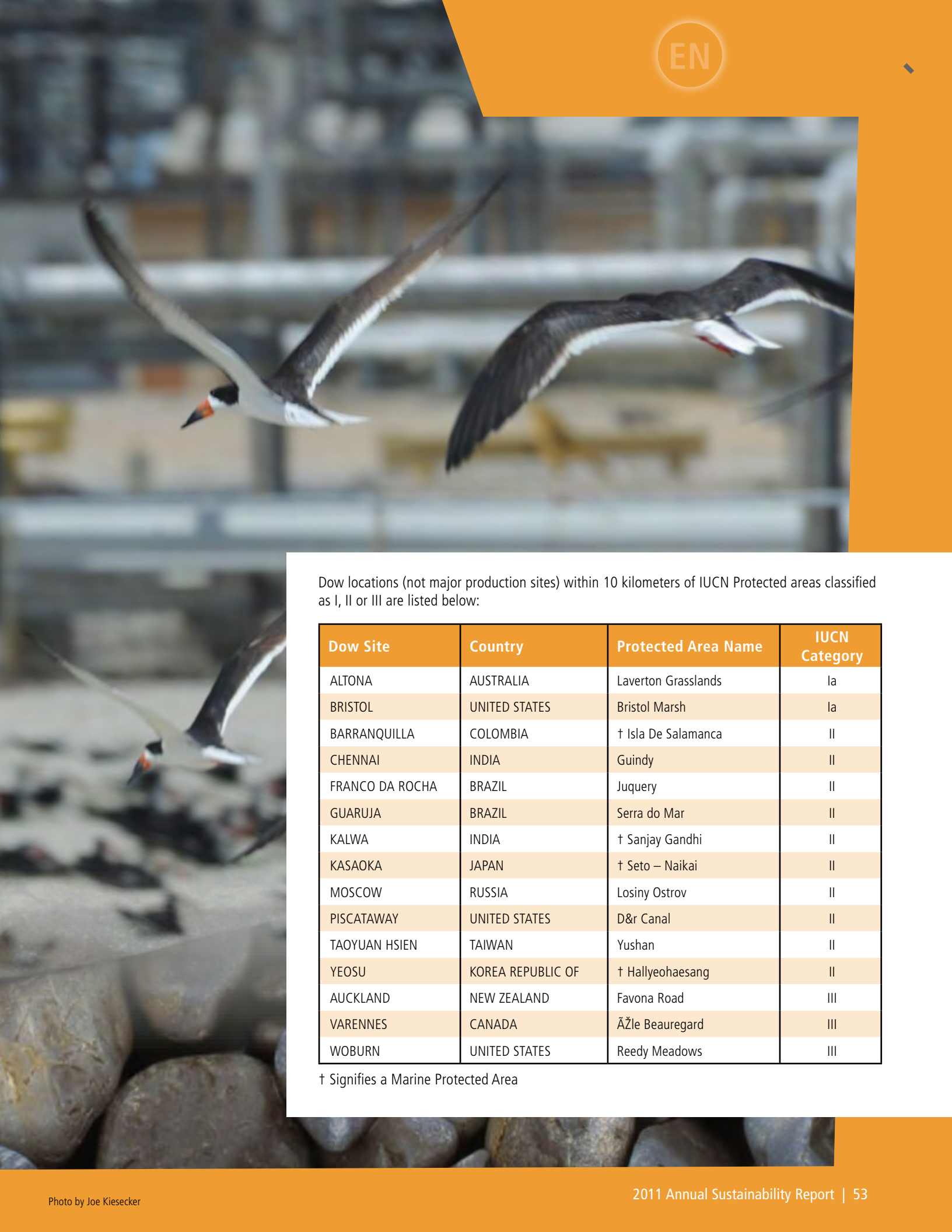
To view the Dow 2011 Global Conservation Report and learn more about the breakthrough collaboration between Dow and The Nature Conservancy, scan the QR code with your smartphone.

EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Below is a list of Dow's global major production sites, and the closest protected area, ranked by IUCN Category.

Major Production Site	Country	Protected Area Name	IUCN Category	Distance in Kilometers
BAHIA BLANCA	ARGENTINA	Ernesto Tornquist	II	>75
MAPTAPHUT	THAILAND	† Khao Laem Ya – Mu Ko Samed	II	20–30
TEXAS CITY	UNITED STATES	North Deer Island	III	0<10
DOW CENTRAL GERMANY	GERMANY	Räckhaltebecken Stahna	IV	0<10
FORT SASKATCHEWAN	CANADA	Astotin	IV	10–20
FREEPORT	UNITED STATES	Justin Hurst	IV	0<10
LOUISVILLE	UNITED STATES	Brock-Sampson Nature	IV	0<10
MIDLAND	UNITED STATES	Shiawassee	IV	10–20
SEADRIFT	UNITED STATES	Guadalupe Delta	IV	0<10
STADE	GERMANY	Haseldorfer Binnenelbe mit Elbvorland	IV	0<10
TARRAGONA	SPAIN	† Masia Blanca	IV	10–20
TERNEUZEN	THE NETHERLANDS	Braakman	IV	0<10
ARATU	BRAZIL	† BaÃa de Todos os Santos	V	0<10
BOMLITZ	GERMANY	Bomlitztal	V	0<10
DEER PARK	UNITED STATES	Armand Bayou	V	10–20
PLAQUEMINE	UNITED STATES	State Capitol	V	10–20
ST. CHARLES	UNITED STATES	Bayou Labranche	V	0<10

† Signifies a Marine Protected Area



Dow locations (not major production sites) within 10 kilometers of IUCN Protected areas classified as I, II or III are listed below:

Dow Site	Country	Protected Area Name	IUCN Category
ALTONA	AUSTRALIA	Laverton Grasslands	Ia
BRISTOL	UNITED STATES	Bristol Marsh	Ia
BARRANQUILLA	COLOMBIA	† Isla De Salamanca	II
CHENNAI	INDIA	Guindy	II
FRANCO DA ROCHA	BRAZIL	Juquery	II
GUARUJA	BRAZIL	Serra do Mar	II
KALWA	INDIA	† Sanjay Gandhi	II
KASAOKA	JAPAN	† Seto – Naikai	II
MOSCOW	RUSSIA	Losiny Ostrov	II
PISCATAWAY	UNITED STATES	D&r Canal	II
TAOYUAN HSIEN	TAIWAN	Yushan	II
YEOSU	KOREA REPUBLIC OF	† Hallyeohaesang	II
AUCKLAND	NEW ZEALAND	Favona Road	III
VARENNES	CANADA	ĀŽle Beauregard	III
WOBURN	UNITED STATES	Reedy Meadows	III

† Signifies a Marine Protected Area

EN12 Description of significant impacts on biodiversity in protected areas and areas of high biodiversity value

The Company is not aware of events in 2011 causing significant impacts on biodiversity in protected areas or areas of high biodiversity value. Our Environmental, Health & Safety Remediation group manages historic environmental liabilities associated with known or suspected contamination of soil and groundwater at Dow or Dow subsidiary sites, which includes operating sites and legacy sites. Legacy sites are defined as surplus properties where Dow or a Dow subsidiary has operated in the past and no longer has operations. Our Land Revitalization program defines our long-term stewardship of these land assets and manages these sites to maximize the total value to Dow and the adjacent communities while managing the known or suspected contamination of soil and groundwater.

EN13 Habitats protected or restored

Giving by The Dow Chemical Company and The Dow Chemical Company Foundation for conservation and nature-related activities in 2011 was collected by site from leaders globally. The data received represent over 90% of sites globally and is sorted into the following categories:

- Traditional Conservation: Land or funds given for the direct protection of natural spaces
- Education and Access: Funds donated for the education of or access to natural area
- Ecosystem Service Related: Actions taken by Dow that have reduced dependence/impact on ecosystem services (e.g., air and water quality improvements, reduction in freshwater use, CO₂ emission reduction) and reduced the Company's footprint. A number of activities were the result of regulatory-driven projects. This value includes total project costs.

SUMMARY RESULTS BY CATEGORY

Traditional Conservation

› \$932,000

Nature Education and Access

› \$368,600

Ecosystem Service Related

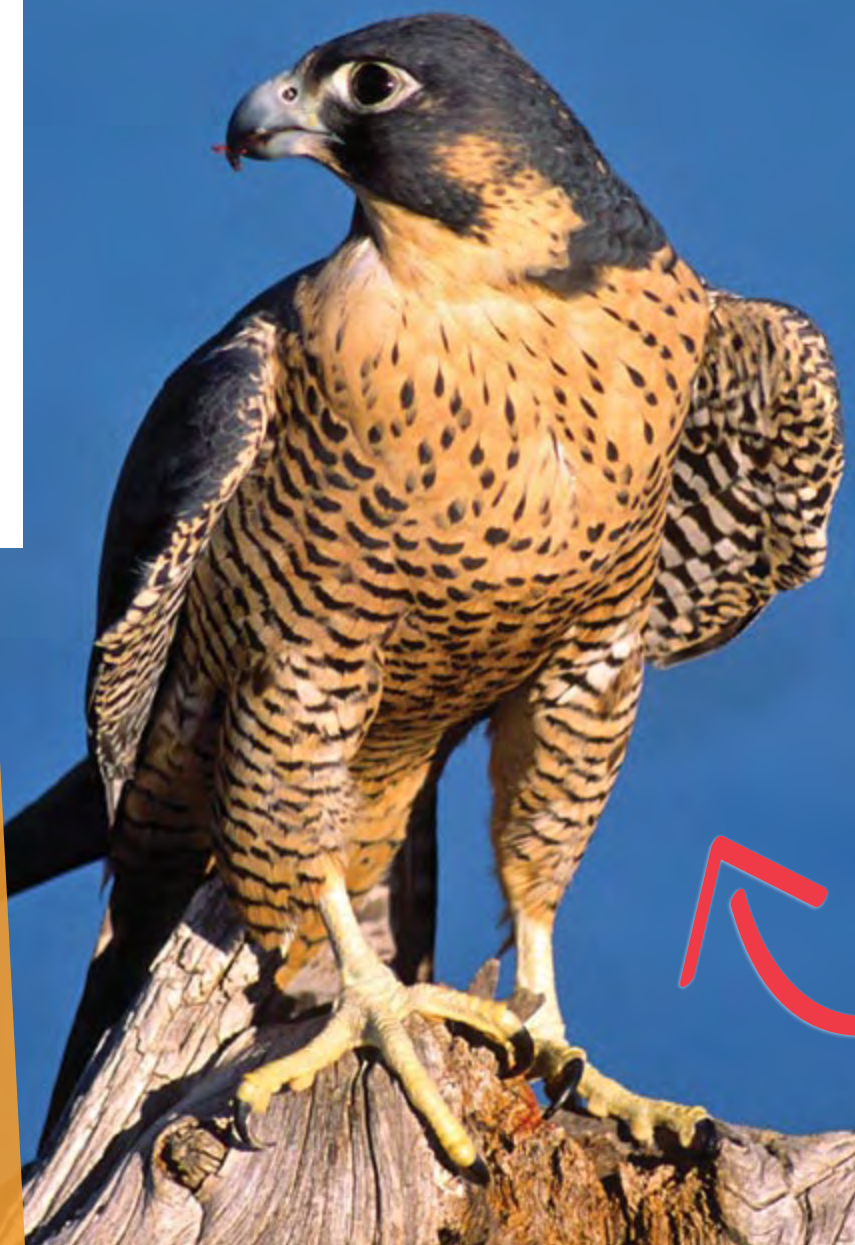
› \$19,555,000 (includes total project cost)

Methods Development and Valuation

- › \$1,000,000 The Nature Conservancy
- › \$100,000 World Resources Institute, Aqueduct Project
- › \$900,000 in-kind resources from Dow Chemical

HISTORY OF VALUING NATURE

In 1963, Dow employee Howard Garrett appointed a study committee to explore the possibility of establishing a nature center in Midland, Michigan. By 1965, the Herbert H. and Grace A. Dow Foundation had leased 198 acres of land at the confluence of the Pine and Chippewa Rivers to the Chippewa Nature Center – where Dow products and volunteers continue to play a role in educating the public.





Selected highlights from this year are shown on the map below. They are representative of the types of conservation projects done around the world, but do not include all of the actions Dow has taken in this area.

1. Ground-Hornbill Conservation – Bryanston, South Africa

The number of Southern Ground Hornbills has decreased by two thirds and the species is close to becoming officially endangered. Over the past 50 years, Ground Hornbills have lost over 70% of their natural habitat. This research project aims to gain a scientific understanding of the conditions the Ground Hornbills thrive in so that suitable areas to place them in can be identified.

2. Habitat Conservation and Wastewater Treatment Plant Upgrade – Cartagena, Columbia

3. Mata Atlantica Forest Recovery – Franco da Rocha, Brazil

4. Black Skimmer Colony – Freeport, TX, USA

In the middle of its manufacturing site in Freeport, TX, Dow has an oyster shell parking lot that is protected year-round to enable the successful nesting of one of the largest black skimmer colonies on the Gulf Coast. In 2011, more than 1,000 skimmers made it their home. On the first Saturday in June, Dow enables members of the public to view and take photos of the skimmers to highlight the need for the conservation of the coastal habitat the skimmers prefer. Dow employees partner with members of the Gulf Coast Bird Observatory to host the event and answer questions.

5. Guadalajara Spring Forest Recovery – Guadalajara, Mexico

6. King Crab Protection – Kasaoka, Japan

7. Bois de l'hôpital Nature Preserve – Lauterbourg, France

8. Peregrine Falcons – Louisville, KY, USA

One of 12 nesting pairs of Peregrine Falcons in Kentucky have chosen the Louisville site as its home for the last 3 or 4 years. Employees look out for the falcons especially each year when the

chicks start flying. The young ones frequently have to be retrieved from inside buildings or rescued and replaced in their nest.

9. Philippine Eagle Adoption – Makati City, Philippines

10. Watershed Initiative Network, Little Forks Conservancy, and Bay Sail Shipboard Education – Midland, MI, USA

11. Whooping Crane Recovery Program – Hahnville, LA, USA

12. Braakman Nature Reserve – Terneuzen, The Netherlands

Dow Terneuzen employees participated in the first Dow nature-volunteers working event in the Braakman nature reserve, adjacent to the site. The activity was part of a new partnership between Dow and Staatsbosbeheer, the non-profit organization that preserves state owned nature reserves. Through this partnership Dow wants to show nature and industry can not only coexist, but can be good neighbors. In an aligned initiative, the inventory of onsite flora & fauna is being updated to raise awareness that nature values are present inside the fence and engage employees in preserving these where possible.



13. Dow Learning Center at Calgary – Calgary, Canada

14. Energy and CO₂ Reduction – Map Ta Phut, Thailand

15. Wastewater Treatment Upgrade Project – Qingpu, China

16. Robert Bateman Get to Know Nature Project – Fort Saskatchewan, Canada

17. Air Quality Improvements – Varennes, Canada

EN14 Strategies, current actions, and future plans for managing impacts on biodiversity

In January 2011, Dow and The Nature Conservancy announced a breakthrough collaboration to help Dow and the business community recognize, value and incorporate nature into global business goals, decisions and strategies.

The global organizations are applying scientific knowledge and experience to develop methods and tools for companies to use by examining how Dow's operations rely on and impact nature. There are many ways that nature benefits people – often called ecosystem services – like providing fresh water and buffering floods and storms. We all depend on these benefits, and our activities can also impact nature in ways that limit our ability to rely on them.

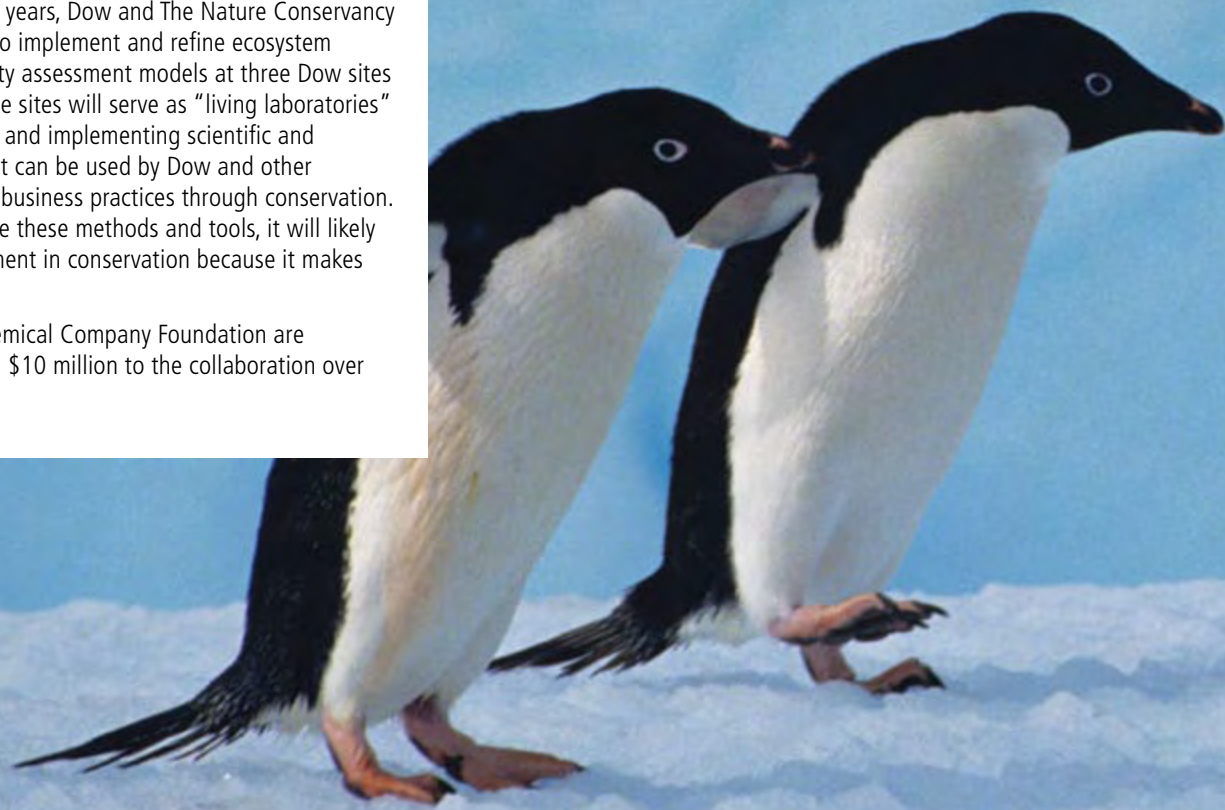
By finding ways for companies to account for nature's services on their bottom line, this collaboration will deliver new practices that lead to solutions that benefit both business and conservation. Tools, models, summaries of lessons learned and results will be shared publicly and through peer-review for other companies, scientists and interested parties to test and apply.

Over the course of five years, Dow and The Nature Conservancy are working together to implement and refine ecosystem services and biodiversity assessment models at three Dow sites around the globe. These sites will serve as "living laboratories" for developing, testing and implementing scientific and economic methods that can be used by Dow and other companies to improve business practices through conservation. As more companies use these methods and tools, it will likely lead to greater investment in conservation because it makes good business sense.

Dow and The Dow Chemical Company Foundation are collectively committing \$10 million to the collaboration over five years.

Progress to Date

Daily production by Dow impacts and depends upon a number of ecosystem services – like fresh, flowing water necessary for manufacturing processes and waste treatment, as well as for providing habitat for many species; coastal marshes that buffer floods and hurricanes while providing habitat and nurseries; and forests that clean the air and support the health of people and nature in the surrounding region. Since the launch of the Collaboration, the Conservancy and Dow have been working together to identify key biodiversity and ecosystem services that Dow impacts and depends upon at priority sites around the world.



EN15 Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

Major Production Sites	Country	IUCN Critical	IUCN Endangered	IUCN Vulnerable	IUCN Near-Threatened	IUCN Least-Concern	Total
ARATU	BRAZIL	1		2	3	134	140
SEADRIFT	UNITED STATES			1	2	108	111
DEER PARK	UNITED STATES		1	1	2	101	105
FREEPORT	UNITED STATES			1	2	101	104
TEXAS CITY	UNITED STATES			1	2	98	101
LOUISVILLE	UNITED STATES			1	4	79	84
PLAQUEMINE	UNITED STATES				1	80	81
ST. CHARLES	UNITED STATES				1	77	78
MAP TA PHUT	THAILAND		1	1	3	65	70
MIDLAND	UNITED STATES			1	1	54	56
DOW CENTRAL GERMANY	GERMANY			1	4	47	52
BOMLITZ	GERMANY				3	44	47
TARRAGONA	SPAIN			2	5	39	46
BAHIA BLANCA	ARGENTINA	1		1	3	35	40
FORT SASKATCHEWAN	CANADA			1		38	39
STADE	GERMANY				3	36	39
TERNEUZEN	THE NETHERLANDS				2	34	36

The following Dow locations (not major production sites) ranked highest in the number of IUCN critical and endangered species range maps that intersected the site location. They have been sorted by a weighted ranking of IUCN Critical and Endangered Species.

Dow Site	Country	IUCN Critical	IUCN Endangered	IUCN vulnerable	IUCN Near-Threatened	IUCN Least-Concern	Total
CANELANDS	SOUTH AFRICA	1	3	2	4	101	111
NEW GERMANY	SOUTH AFRICA	1	2	1	4	102	110
GEELONG	AUSTRALIA	1	2	1	2	55	61
ALTONA	AUSTRALIA	1	2	1	2	50	56
MEDAN	INDONESIA		3	5	16	88	112
TOLUCA	MEXICO	1	1	1	3	98	104
SASOLBURG	SOUTH AFRICA	1	1	1	4	89	96
TLAXCALA	MEXICO	1	1		2	88	92
PUNE	INDIA	1	1		2	83	87
QUERETARO	MEXICO	1	1	1	3	74	80
TALOJA	INDIA	1	1		2	72	76
KALWA	INDIA	1	1		2	71	75
ZARATE	ARGENTINA	1	1	1	3	66	72

Aspect: Emissions, Effluents and Waste

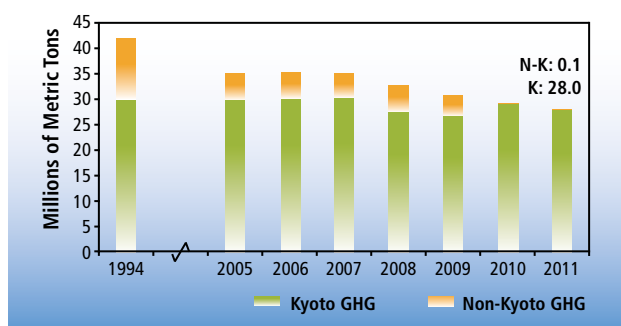
In several of the following Environmental Performance Indicators, a value for 1994 is provided for perspective because it was the base year that marked the beginning of our first 10-year EH&S Sustainability Goals. These 1994 values should NOT be used as an absolute for comparison purposes.

The emissions information reported in the following graphs includes data from heritage Rohm and Haas operations, unless noted otherwise.

EN16 Total direct and indirect greenhouse gas emissions by weight

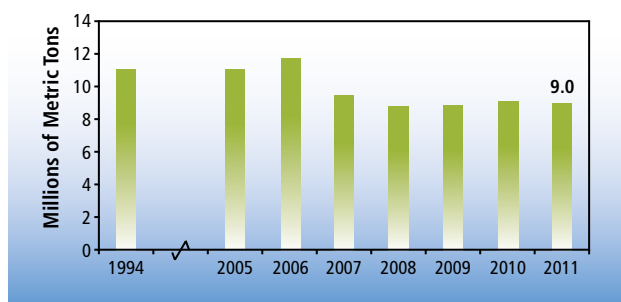
Dow uses The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard for guiding the reporting of greenhouse gas emissions. Direct greenhouse gas (GHG) emissions are from sources controlled by Dow and include Kyoto and non-Kyoto GHGs. Our 2011 direct GHG emissions, expressed as carbon dioxide equivalents, decreased about 4 percent from 2010 to 2011.

Absolute Greenhouse Gas Emissions as CO₂ Equivalent



Indirect greenhouse gas (GHG) emissions are the consequence of Dow's consumption of energy but are emitted from sources controlled by another company, for example, by the supplier of purchased power. 2011 indirect emissions were about the same as in 2010.

Indirect GHG Emissions (CO₂ Equivalent)



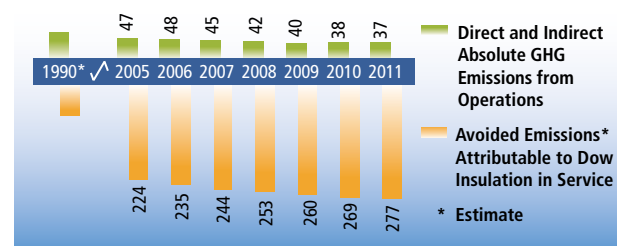
One of the 2015 Sustainability Goal metrics is to reduce the intensity of GHG emissions per unit of production. During 2011, Dow's GHG emissions were 0.676 metric tons per metric ton of production, about a 7 percent increase from base year 2005. Dow's goal is to reduce GHG intensity 2.5 percent per year 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.

EN17 Other relevant indirect greenhouse gas emissions by weight

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.

Greenhouse Gas Emissions

(million metric tons of CO₂-equivalent, Kyoto and non-Kyoto)



Emissions from transportation of Dow products to customers for 2011 were estimated to be three million metric tons. The total CO₂ equivalent indirect emissions resulting from commercial air travel were estimated to be 24,608 metric tons during 2011. The total CO₂ equivalent indirect emissions resulting from rental car use were estimated to be 5,553 metric tons.

Dow has an ownership position in many joint ventures that are separately held corporations and are operated by the joint venture, not by Dow. Dow considers the emissions from joint ventures separately from scope under the GHG protocol.

EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved

We have reduced the Company's absolute GHG emissions by more than 20 percent since 1990 representing a more rapid reduction than required by Kyoto Protocol targets. The energy savings resulting from increased efficiency from 2005 through 2009, as reported in [EN5](#), can be converted to equivalent GHG emissions avoided equaling 4.1 million metric tons of CO₂. The activities described in [EN6](#) and [EN7](#), and implementing new processes that emit less GHGs compared to traditional routes will also be important to driving reductions in the future.

After review of our Climate Change goal we determined to shift the primary focus for driving improvements from GHG intensity to a focus on absolute emissions. In the future we will report on a measurement of the net impact of Dow footprint, and products and

solutions in use. The scope of additional goals to soon be announced will include emissions from upstream (suppliers) and downstream through products in use, and will continue to be both Kyoto and non-Kyoto GHG emissions.

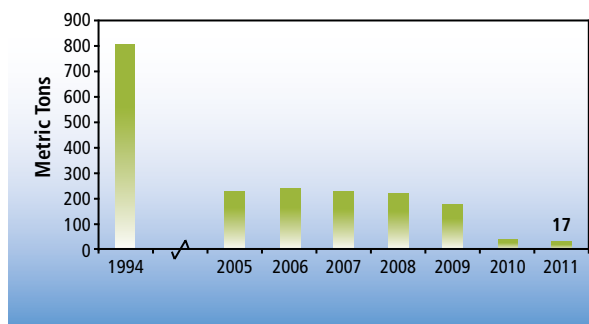
Dow is making significant financial investments in R&D to contribute to the slowing, stopping and reversal of the rate of GHGs being emitted. Dow participates in the EU emissions trading scheme (ETS) and advocates for government action to slow, stop and reverse the rate of greenhouse gas emissions.

For more information on Dow's position on addressing the issue of climate change, consult the Dow annual [Carbon Disclosure Project Report](#).

EN19 Emissions of ozone-depleting substances by weight

Ozone-depleting emissions were reduced from 2009 levels due to reformulation of insulating agents used in the Dow Building Solutions business.

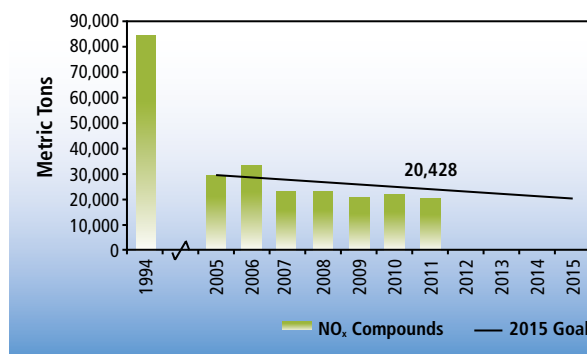
Ozone Depletors as CFC-11 Equivalent



EN20 NO_x, SO_x, and other significant air emissions by type and weight

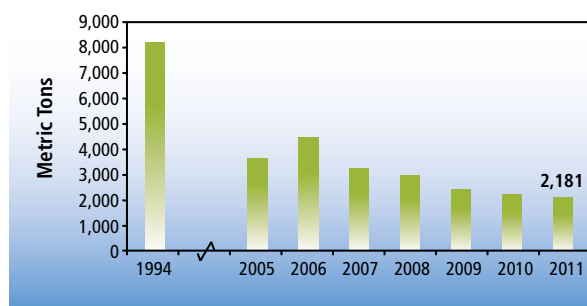
Between 1994 and 2005, Dow has achieved approximately 66 percent in NO_x (nitrogen oxides) reduction. NO_x emissions decreased from 2010 to 2011 by 4 percent. Dow utilizes the AP-42, Compilation of Air Pollutant Emission Factors.

NO_x Compounds



Between 1994 and 2005, Dow achieved a 55 percent reduction in SO_x (sulfur oxides) emissions. Emissions of SO_x have continued to decrease each year since 2006 and are down 5% in 2011 compared to 2010.

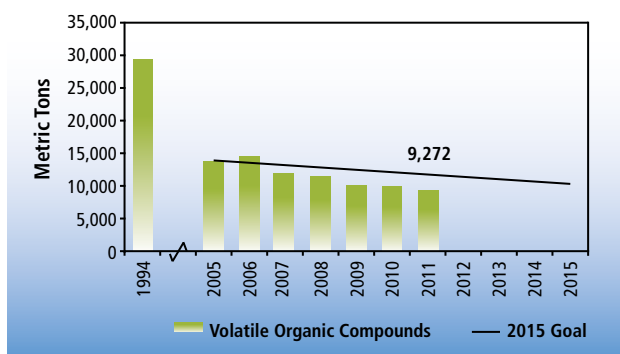
SO_x Compounds



Volatile organic compounds are a selection of organic chemicals excluding low vapor pressure materials (chemicals with vapor pressures >0.0001 atmospheres minus the chemicals found on the U.S. EPA exclusion list). Dow has seen a 52 percent reduction in VOC emissions between 1994 and 2005.

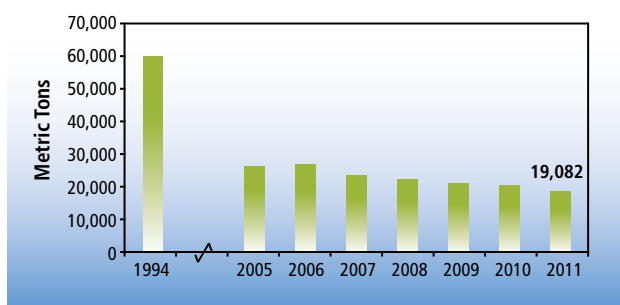
Emissions of VOCs have decreased 8 percent from 2010 levels.

Emissions of Volatile Organic Compounds



In addition to ozone-depleting substances, Dow tracks chemical emissions (excluding items such as NO_x , SO_x , CO , CO_2 , particulates, methane, hydrogen, nitrogen, oxygen, water, aluminum, and certain salts). Between 1994 and 2005, Dow reduced chemical emissions by approximately 56 percent. Dow has decreased chemical emissions by an additional 8 percent from 2010 to 2011. This metric is compiled for emissions to both air and water.

Chemical Emissions to Air and Water

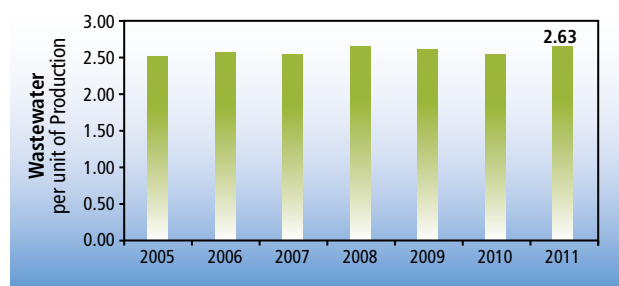


EN21 Total water discharge by quality and destination

During 2010 information about the largest freshwater using sites was assessed. On average, more than 85 percent of the source water was returned to its source of origin at equal or greater quality than the quality at time of withdrawal. This indicator is a medium term objective for more detailed reporting in the future.

Wastewater is the amount of water sent for treatment before discharge. Wastewater intensity is the ratio of pounds of wastewater per pound of production. Dow is dedicated to implementing innovative ways to conserve water, which includes implementing source reductions as well as identifying creative ways to reuse water. Wastewater intensity increased 3.2 percent from 2010 to 2011.

Wastewater Intensity

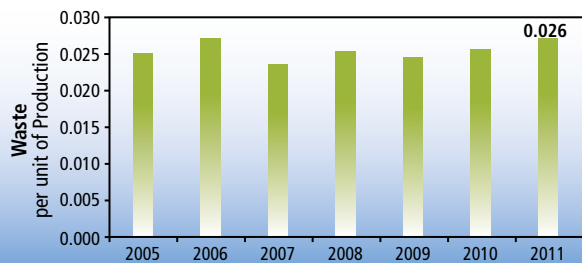


EN22 Total weight of waste by type and disposal method

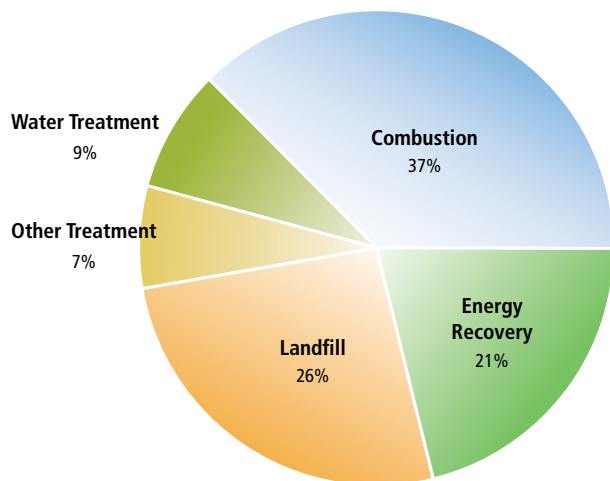
The total treated waste in 2011 was 1.4 million metric tons. Approximately 56 percent of the waste is classified as nonhazardous and 44 percent as hazardous as defined regionally. Wastes are materials that receive treatment and exclude demolition, remediation and certain salts. Dow has placed ongoing emphasis on reducing waste and accomplished great savings through an internal WRAP program (Waste Reduction Always Pays). WRAP reduction includes waste avoidance, source reduction, Greenhouse gas emissions reduction, material reuse or recycling, by-product synergy, and water and energy conservation. Compared to 2005 the total waste from operations has been reduced by 17%. Dow maintains responsibility for disposal of the vast majority of its waste.

A waste intensity metric allows Dow to compare progress from year to year as the Company grows. Waste intensity is the ratio of pounds of waste generated per pound of production. The weight of waste did not increase in 2011, but waste intensity increased from 2.5 to 2.6 lbs per 100 lbs of production compared to 2010.

Waste Intensity



Waste Disposal by Treatment Method

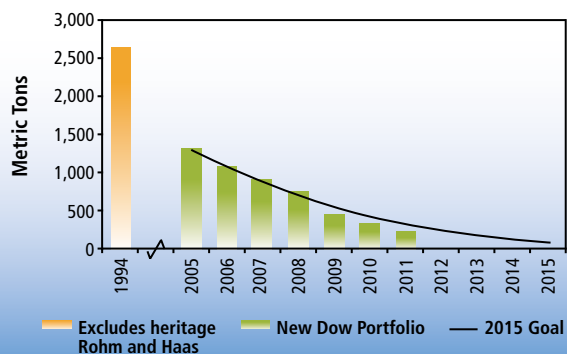


EN23 Total number and volume of significant spills

No spills were of a magnitude that required reporting in the organization's financial statement.

Dow has long monitored and set goals to improve performance in the area of spill avoidance. During 2011 the total of all Loss of Primary Containment (LOPC) events was 262 incidents. This was a reduction of 25 percent from the prior year and reflects our best annual performance. The 2015 Goal of no more than 130 incidents is a 90 percent reduction from 2005.

Loss of Primary Containment Events



EN24 Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII and the percentage of transported waste shipped internationally

Dow has a Right Waste, Right Place strategy with regard to management of all waste. This involves evaluation of waste situations to see if they can be eliminated or reduced in size. Secondly, we look for other uses for the streams - either internally or externally - as feedstocks or for reclamation purposes. As a last option, we develop a reliable way to dispose of materials that can't be utilized in any other way.

For hazardous waste, our first choice in most cases is to bring the wastes to one of our own disposal facilities. In some situations it is appropriate to use third-party facilities, but only after they have undergone a thorough audit conducted by a third-party auditor and been reviewed for safety and environmental concerns.

There were approximately 630,000 metric tons of hazardous waste managed in 2011 as defined by regional definitions. Approximately 25 percent of this amount was transported to locations where treatment by Dow or third parties was accomplished in compliance with all regulatory requirements. A majority of this amount was consumed by thermal treatment. Water content of aqueous hazardous waste was subtracted from this total.

EN25 Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff

This information is not collected by the Company at this time. The next phase of analysis planned with The Nature Conservancy may include these data.

As a member of the Greater Edwards Aquifer Alliance (an industry-government partnership), Dow provided funding for a study regarding the management and conservation of Greater Edwards Aquifer, near San Antonio, TX. The EPA recognizes the Edwards Aquifer Ecosystem as a "Sole Source" water supply. It is the only source of drinking water for millions of Texans.

Aspect: Products and Services

EN26 Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation

Dow accepts the responsibility to be a good steward of the environment on behalf of current and future generations. Dow identifies chemicals and health as a priority issue. To learn more about our [Policy on Chemicals Management](#), visit the Responsible Operations section on [dow.com](#).

One initiative to mitigate the environmental impacts of products is through the 2015 Sustainability Goal of Product Safety Leadership. A primary focus of this goal is to develop Product Safety Assessments (PSAs) for all Dow products by 2015. During 2011, we completed 82 additional assessments and posted them on our [PSA website](#). The PSAs are easy-to-understand summaries available on-line to help customers and the public have access to useful information about our products. At the end of 2011, there were 411 PSAs posted at [www.DowProductSafety.com](#). Dow's published Product Safety Assessments now cover products accounting for approximately 78% of Dow's 2011 revenue.

Other mitigation efforts include our Product Stewardship program (See [PR1](#) and [PR3](#)) and our commitment to implement the European Union regulation for the Registration, Evaluation, Authorization and Restriction of Chemicals known as [REACH](#).

EN27 Percentage of products sold and their packaging materials that are reclaimed by category

Dow is a provider of a variety of products and [solutions for packaging needs](#), but many products exist upstream in the value chain. Due to the highly varied uses of Dow products and the frequency of use as a raw material for another manufacturing process there is often no packaging for the Dow product. The Company does not measure this indicator. We do work to optimize packaging where it saves packaging and raw materials. Contracts incentivize suppliers to use reconditioned rather than new totes. In 2011, 228,252 reusable metal boxes were used for outbound shipments.

EN28 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Fines paid in the year 2011 were \$2,688,439 which includes both amounts paid and the value of alternate pay amounts. Fines paid in 2010 were \$621,442. The magnitude of the change is related to a comprehensive settlement agreement with the United States Environmental Protection Agency (EPA) Region 5 and the Department of Justice (DOJ) determined in July of 2011 with the Dow Michigan Operations in Midland. The agreement encompasses air, water, and waste issues identified during an inspection conducted over a 20-month period between August 2005 and March 2007, and includes a cash payment of \$2.5 million to the EPA as a civil penalty. Fines and penalties are captured globally regardless of size or significance, and payment is reported based on the year paid. This incident reporting system does not classify whether a fine is related to product, the environment, or other focus of law.

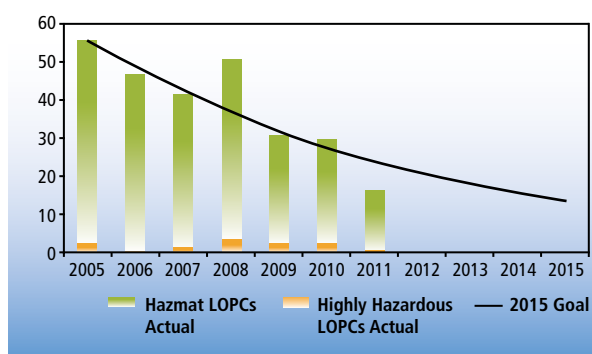
The Company does not have non-monetary sanctions to report for 2011, nor is there awareness of a case or cases that should be disclosed as events brought through dispute resolution.

EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce

Dow continues to support efforts that assist in rail safety and security. Information about the UP/Dow TRANSCAER Training Tour can be found at [TRANSCAER Training Tours](#).

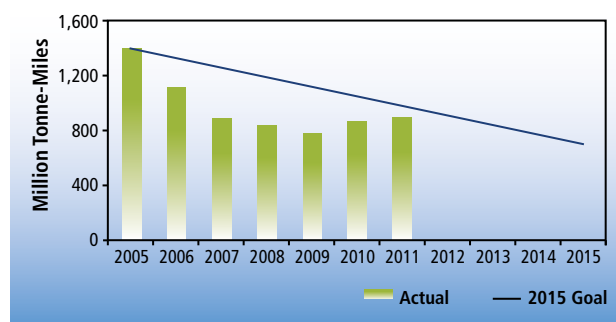
To help minimize impacts resulting from transporting products, Dow tracks Hazmat Transportation Loss of Primary Containment (LOPC) count (Serious, Moderate & Minor incidents). During 2011 there were 17 events, one of which involved Highly Hazardous Material. Highly Hazardous Materials are those that pose a toxic inhalation hazard or are a flammable gas. The Company is striving to reduce the occurrence of Hazmat Transportation LOPC incidents to fewer than 14 per year, with no incidents involving Highly Hazardous Materials by 2015.

Hazmat Transportation LOPC Count



A second metric to focus on minimizing the potential for impacts from transportation tracks the volumes of Highly Hazardous Materials transported. We have set a 2015 Sustainability Goal to reduce the number of tonne-miles (a measure of how much shipped and how far) by 50 percent from levels in 2005, which was 1,410 million tonne-miles. Dow will accomplish this by redesign our supply chain to reduce or eliminate shipments, or optimizing the distances products travel. (A tonne-mile is one metric ton of freight moved 1 mile or 1.6 km.)

Highly Hazardous Material Tonne-Miles



The tonne-miles have increased with increasing product demand since a low level in 2009, but the company intends to find a way to reverse this trend and meet the 50% reduction goal set for 2015.

EN30 Total environmental protection expenditures and investments by type

The costs specifically identified as environmental operations were \$744 million during 2011. Significantly more related costs are incurred, but are not specifically accounted for as environmental expenditures. Dow invested \$170 million of capital identified specifically for environmental purposes. Provisions established for environmental remediation worldwide amounted to \$733 million as of December 31, 2011.

A Great Place to Work



A Premier Employer around the World

Dow's People Vision – *The world's best people working together to make a difference* – underscores our belief that a talented, engaged employee workforce is essential to our ability to deliver innovative solutions to our customers, markets and communities.

OUR PEOPLE STRATEGY HAS FOUR STRATEGIC PILLARS:

- › Attract and Retain a Diverse Workforce
- › Engagement Employees
- › Performance Culture
- › Superior Leadership

Under each of these pillars is a set of strategies, action plans and metrics. Many of those metrics are included in this report.

Dow measures its progress toward being a great place to work around the world by comparing its Global Employee Opinion and Action Survey (GEOAS) scores against benchmarks established by 40 premier employers in the Mayflower Group. This is a consortium of leading global companies (including 3M, Corning, Boeing, Royal Dutch Shell, Microsoft and Nike) representing a variety of industry sectors. The areas that have been the focus for improvement are enhancing strategic alignment, recognition and employee development. Top quartile performance is noteworthy in regard to employee agreement that senior management gives employees a clear picture of the direction in which Dow is headed and employees are given a real opportunity to improve their skills in Dow.

In 2011, Dow's Employee Engagement Index score rose 5 percent to 75 percent compared to 2010. This represents the highest level since the metric was introduced in 2006. In total, 41 of the 42 questions on the survey saw improvements and scores were top quartile for four items.

OUR VALUES

The Company articulates three overarching values. They help define our culture and create a focus to help make Dow a great place to work.

We measure commitment to our Values by how we treat each other. This includes taking action to promptly report any conduct inconsistent with the Dow Code of Conduct, our Values or the law – even if the facts of the situation are not entirely clear.

Integrity:

We believe our promise is our most vital product – our word is our bond. The relationships that are critical to our success depend entirely on maintaining the highest ethical standards around the world.

Respect for People:

We believe in the inherent worth of all people. We, the employees of Dow, are the engine of value creation; our imagination, determination and dedication are essential to growth.

Protecting Our Planet:

We believe in protecting the world's resources. Dow's sustainability journey involves the world's best problem solvers working on the world's biggest challenges. The decisions we make, the innovations we deliver and the goals we achieve are all driven by our intent to "Set the Standard for Sustainability," making the world safer, cleaner and greener for generations to come.

GOALS AND PERFORMANCE

The Company's Diversity and Inclusion agenda is stewarded by its executive level Global Inclusion Council, which is chaired by Gregory Freiwald, Executive Vice President of Human Resources and includes Dow's Business presidents and a number of key functional leaders. We report progress on our employee goals annually in [LA13](#).

Goal 1: To be the "Employer of Choice" in strategic markets where we recruit talent.

Goal 2: Close gaps in underrepresentation of females and minorities in the leadership levels of the Company.

Goal 3: Achieve top quartile inclusion confirming the Dow workplace is characterized by respect and diverse perspectives.

LABOR POLICIES AND PHILOSOPHIES

Respect for human rights and dignity is a cornerstone of our business.

- › We recognize and respect all labor and employment laws – including those respecting freedom of association, privacy and equal employment opportunity – wherever we operate.
- › We believe that working positively and directly with employees best serves their interests.
- › We strive to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company's mission.
- › We do not use forced or involuntary labor.
- › We comply with all applicable child labor laws.



We maintain a safe and healthy work environment and are committed to eliminating work-related injuries and illnesses. Employees and the Company share the responsibility to make safety and health a daily priority. Each employee is accountable to take corrective action when an unsafe or hazardous situation is brought to their attention. This is an important part of the culture which makes Dow a far safer workplace than the average manufacturer in the United States based on available statistics. Dow's Drive to Zero program drives Dow employees and contractors to exceptional safety performance. It reinforces Dow's vision for EH&S – zero injuries and illnesses, zero incidents, and zero environmental harm.

TRAINING AND AWARENESS

In 2011 the Company implemented a full curriculum for persons moving into people leader roles. This training is required within 90 days of the person taking the new position and clearly establishes policies and procedures, and guides the incumbent to lead by example.

To ensure employees are always in the forefront in their fields, Dow encourages continuous learning – in classrooms, on assignment, through mentoring and networking. In 2011, 4,981 employees participated in Great Start @Dow, an on-boarding development program addressing the role of specific issues that are important during an employee's early experience at the Company. For ongoing training, employees utilize a MyLearning system that helps them select and manage curriculum that aligns with their core role responsibilities and personal development interests. Required training is assigned to employees at this same MyLearning development tool. There are now over 33,000 courses available on the MyLearning system.

THE DOW CODE OF CONDUCT: THE DIAMOND STANDARD

The Diamond Standard provides clarity on how to address policy violations using Dow EthicsLine, which is available globally, with multi-lingual capabilities, 24 hours a day, seven days a week and is operated by an external vendor. All complaints are investigated. In addition to the EthicsLine, employees are encouraged to report their concerns to their supervisors, other managers, Human Resources, or directly to the Office of Ethics and Compliance. Statistics regarding ethics complaints are published quarterly for employees on Dow's intranet homepage.

Dow's office of Ethics and Compliance works closely with the Dow Regional Ethics and Compliance Committees to conduct periodic Ethics and Compliance Risk Assessments to identify potential risk areas in the Dow regions around the globe and then respond with targeted education and corrective actions.

EQUAL EMPLOYMENT POLICY

Dow is committed to creating and maintaining an environment in which all Dow people have an equal opportunity to reach their potential and contribute fully to the success of the Company. People living with disabilities are a unique source of talent who can deliver substantial value to our Company, our customers and our communities. Dow is committed to the recruitment and development of top talent, including individuals who happen to live with a disability.

DIVERSITY AND INCLUSION

At Dow, Diversity & Inclusion means delivering a workforce that reflects the places we do business today and tomorrow and enabling a workplace where everyone is included, performing at their peak and contributions are valued.

EQUAL REMUNERATION FOR WOMEN AND FOR MEN:

See [LA14](#) for more information.

The most senior position with responsibility for Labor Aspects is executive vice president for Human Resources, Gregory Freiwald.

Aspect: Employment

LA1 Total workforce by employment type, employment contract, and region, broken down by gender

Total Dow Workforce: 51,310 employees as of December 31, 2011, including permanent and temporary employees. Excluding temporary employees, Dow's headcount at year-end was 49,182.

Breakdown by Employment Contract: 95.9 percent of Dow employees are permanent and the remaining 4.1 percent work under a temporary arrangement.

Full and Part Time Employment, by gender, globally

	Full Time	Part Time
Male	69 percent	<1 percent
Female	30 percent	1 percent
Total	99 percent	1 percent

Breakdown of Total Employee Population by Region: See [section 2.8](#) for employees by geographic area.

LA2 Total number and rate of employee turnover by age group, gender, and region

Dow reports attrition for both voluntary exits and involuntary reductions. In 2011, the global voluntary attrition rate was 4.6% (down from 4.8% in 2010) and the involuntary rate was 3.4% (down from 5.4% in 2010 excluding divestments and from 10.5% in 2010 including divestments).

The following information by category is based on a breakdown of voluntary attrition rates. Voluntary attrition rates are reported here as they are reflective of Company culture, working conditions and employee satisfaction or dissatisfaction. Involuntary reductions are primarily a reflection of business conditions.

The rates of attrition by gender:

- 4.0 percent for males
- 5.0 percent for females

Voluntary Attrition by gender, by region

	EMEA	Latin America	North America	Asia Pacific	Global
Female	4%	4%	4%	7%	5%
Male	3%	3%	4%	7%	4%

Dow does not report attrition based on age, but rather on years of service. The rates of attrition for years of service, based on average headcount for these groups, are shown.

- 5.7 percent for 0–1 years of service
- 7.0 percent for 1–3 years of service
- 6.8 percent for 3–5 years of service
- 5.1 percent for 5–10 years of service
- 3.0 percent for 10–15 years of service
- 3.6 percent for 15+ years of service

The rates of attrition by region, based on average headcount for these groups, are:

- 4.6 percent Globally
- 4.4 percent for North America
- 3.8 percent for Latin America
- 3.9 percent for Europe
- 8.4 percent for India
- 6.0 percent for Middle East, and Africa
- 5.7 percent for Pacific excluding China
- 8.2 percent for China

LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

Dow makes a wide variety of benefits available to all eligible regular full-time and less-than-full-time employees that work 20 or more hours per week. Dow's benefit plans are designed to build on the social security benefits provided in each country and social security systems and as a result vary by country.

Dow offers the following benefits to employees in most of the countries where it does business:

- Pension plans – either defined benefit or defined contribution where market practice dictates
- Medical plans – often including prescription drug coverage and dental
- Life insurance
- Disability protection
- Accident insurance
- Paid vacation, holiday and leave programs
- Business travel accident
- Stock purchase plan

LA15 Return to work and retention rates after parental leave, by gender

Dow offers employees, both male and female, the opportunity to take leave for many reasons, including the birth or adoption of a child. Because of differences in global labor laws, the company's leave policies differ around the world. As a result, the table below includes employees who either took maternity or family leave, for any reason.

- Between 2007–2011, 1,294 employees took a maternity or family leave. Thirty one percent were male and 69 percent were female.
- Of these employees, 78 percent returned to work. 3 percent remain on leave. 85 percent of males and 75 percent of females returned to work.
- Of the employees who returned to work following their leave, 11 percent are no longer with Dow. 44% of these employees were male and 56% were female.

Labor Performance Indicators

Aspect: Labor/Management Relations

LA4 Percentage of employees covered by collective bargaining agreements

Fourteen percent of Dow's workforce was covered by collective bargaining agreements in 2011.

LA5 Minimum notice periods regarding operation changes, including whether it is specified in collective agreements

Dow keeps employees well informed of operational changes through a variety of channels. Global, business and functional specific news is communicated through our global intranet that can be accessed by any Dow employee in a variety of languages. In addition, leaders cascade communications through the organization to Dow employees. These communications occur in a timely and effective manner.

While there is no global minimum time frame for notifying Dow employees of significant operational changes, Dow makes every effort to give a reasonable amount of notice to all employees in the event of a significant change. Dow has a proven history in recognizing and respecting all labor and employment laws in the countries in which it operates.

Aspect: Occupational Health and Safety

LA6 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

The Drive to Zero program (getting to no injuries or workplace illness), the visibility of the importance of safety in every activity, and the priority given to Injury and Illness rate performance are longstanding parts of the Company commitment to safety. The Company does not have a mechanism for defining the percent of the workforce represented in formal committees, but 100 percent of employees are involved in making Dow a safe place to work.

Dow has a well-developed health strategy focused on prevention, quality, health system management and advocacy. Employees are provided with the tools and information they need to take action to invest in their personal health and the health of their families, while the company works to establish a "culture of health" through policies and practices.

LA7 Rates of injury, occupational diseases, lost days, and absenteeism and the number of work-related fatalities by region and by gender

During 2011 a program was developed to address Life Critical Standards to bring a new level of energy to understanding weak spots in human behavior that can lead to injury. The LCS Moment is a simple communication designed to reach employee consciousness even through the busyness of fast paced living.

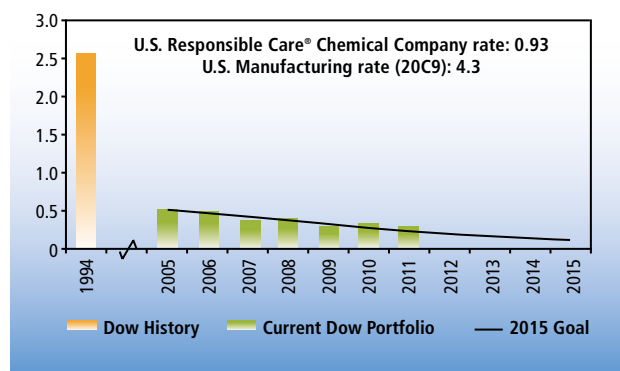


Susan Lewis

There have been so many innovative and exciting things happening around our Life Critical Standards training in the past year, it's hard to know where to start. By going back to the basics and focusing, we increase the probability that everyone will get home safely at the end of the day.

The overall Injury and Illness rate is a highly visible 2015 Sustainability metric for the Company. The goal is to reduce by 2015 the reportable injury and illnesses to no more than 0.12 incidents per 200,000 hours of work time, representing a 75 percent reduction from the rate in 2005. Dividing incidents by a defined cumulative number of hours worked by the employee population is a standard way of viewing the rate of injury and illness for a specific population. The progress made in reducing our rate of injury and illness since 1994 has prevented more than 24,000 reportable incidents involving Dow employees and contractors.

Injury and Illness Rate (all reportables)

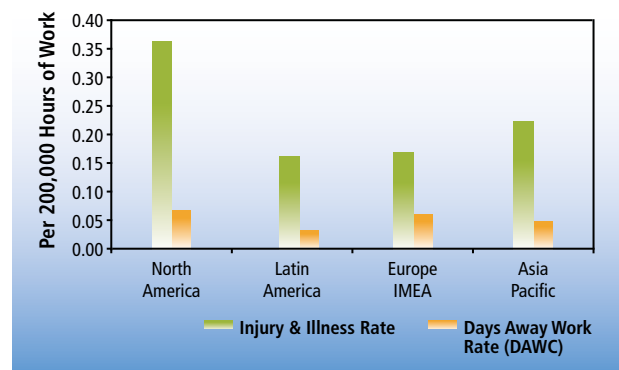


The following information from the American Chemistry Council provides context for Injury and Illness performance (for U.S. operations):

Comparative Injury/ Illness rate (incidents / 200,000 hours)	Values for 2010	Values for 2011
Dow employees and contractors	0.33	0.30
Responsible Care® chemical companies	0.93	
All manufacturing	4.3*	

*(2009 most recent data available)

Safety Metrics by Region



The safety performance of Dow employees is illustrated in this graph. The higher level of injury and illness is commonly seen by many multinational companies. Variations in culture, employee make up, and regulatory drivers explain much of these differences.

Safety by gender data is available for Dow employees in the United States.

Gender	Recordable Injury Count		Recordable Injury Rate	
	2010	2011	2010	2011
Male	69	75	0.39	0.40
Female	22	21	0.33	0.30

The contractor rate of Injury and Illness in 2011 was 0.32, while that of employees was 0.29 injuries per 200,000 hours.

Days Away from Work Injury and Illness Cases (DAWC) are included in the Dow Injury and Illness rate. In 2011, DAWC occurred at a rate of 0.08, down from 0.12 per 200,000 hours in the prior year.

The illness rate in 2011 was 0.018 per 200,000 hours.

In April 2011, there was a fatality at Dow's Midland, Michigan manufacturing site when an employee died after falling from a ladder. An investigation concluded that a medical condition unrelated to the workplace caused the fall. In August, at Dow's Seadrift Operations site, an employee died when he was struck by the plug from a pressurized tank. The investigation concluded the accident was caused by a failure to follow established de-pressurization procedures. Work related fatalities for the year was a total of one, as had been the case in 2010.

Information on absenteeism is not aggregated by the Company.

LA8 Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases

Assistance Programs

Program recipients	Education/ Training		Counseling		Prevention/Risk Control		Treatment	
	Yes	No	Yes	No	Yes	No	Yes	No
Workers	x		x		x		x	
Workers' families	x		x		x		x	
Community members	x			x	x			x

Dow offers medical benefits that cover a range of preventive, diagnostic and treatment services. Programs vary by country and other criteria. Dow Health Services makes the following available in the area of Occupational Health and Health Promotion:

- Employee clinical treatment services approximately 83 Dow on site clinics globally.
- Periodic Employee Health Assessment examinations screening for a variety of diseases (including heart, lung, liver, kidney, blood, etc.) Specific counseling and follow-up are provided to assist in reducing any identified risks.
- Health Promotion programs are offered to all employees and often retirees and their dependent family members. These programs include education on important health risks such as tobacco use, inactivity, obesity and stress. Employees understand the opportunities to assess those risks and a variety of interventions they can pursue to reduce their risk.
- Active participation in an Institute for Healthcare Improvement, IHI- Triple Aim community health initiative across 14 counties in mid-Michigan, sponsored by the Institute for Healthcare Improvement and a regional collaborative the Michigan Health Information Alliance. This initiative is a broad community collaborative effort to improve population health, patient quality of care and control costs.
- Employee Assistance Programs are offered globally. These provide assistance for employees and families for issues such as general stress, anxiety, financial, and family relations.
- Dow has participated in or provided a variety of targeted programs that impact health beyond our employee groups. Some examples include: dental health services in underserved areas, HIV/AIDS programs, women's health concerns, health presentations and health fairs.

Dow's health program is recognized internationally and during 2011 was featured in more than nine publications and took the opportunity to present information in many forums about its efforts and accomplishments. Some examples include: International Neurotoxicology Association, International Commission on Occupational Health, American Cancer Society, Workplace Health Initiatives, U.S. Environmental Protection Agency, California Office of Environmental Health Hazard Assessment, Dutch Health Council, Center for Disease Control, U.S. Alzheimer's Association and the Health Enhancement Research Organization. Dow efforts were recognized through several awards, including Excellence in Business Action on Health (Global Business Coalition – Africa), SESI Quality in the Workplace Award (Sao Paulo, Brazil), Asia Pacific Business Services Paragon Award (Japan), Bureau of Health Department's, Badge of Accredited Healthy Workplace (Taiwan), and the Alzheimer's Association's Mission Mover Award (U.S.).

General review of medical surveillance testing results for specific Dow workgroups has shown an improved health risk profile continuously since baseline of 2004.

LA9 Health and safety topics covered in formal agreements with trade unions

Even though the Company does not collect this information at this time, all employees are covered by Dow's work safety processes and work culture.

Aspect: Training and Education

LA10 Average hours of training per year per employee, by gender, and by employee category

A sustainability network made up of employees from around the world meets monthly in a web meeting format to focus on an educational topic related to sustainability. Often the topic is specific to addressing a sustainability challenge within the company, but the network also hosts external sustainability leaders who share their expertise to inform and inspire regarding sustainable solutions for tomorrow.

Training and education varies by job role and responsibilities. On average, there were 62 hours of training per employee during 2011. Dow has extensive training programs for employees involved in every job category.

Dow's training opportunities include both traditional classroom and virtual instructor-led training, hands-on training, blended training, and an extensive database of on-line training courses.

Training hours per employee by gender and category

	Male Avg	Female Avg
Admin	31	27
Professional	42	48
Tech	78	42
Other	131	55



Dr. Lingzhen Dong, Asia Pacific Director - EH&S and Sustainability, is the facilitator for the Asia Pacific Region of the Dow Sustainability Network. She lives in Shanghai, China.

During 2011 participation in the Asia Pacific Region grew to 120 employees who found it a good place to learn from around the Dow world about how others are addressing the challenges related to sustainability.

LA11 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Dow employees are provided with career and career-ending resources on a Company intranet site: Late Stage Career Planning. Employees take advantage of these offerings to enhance their employability and plan for career endings:

- Values Self-Assessment
- Career Orientations and Constraints
- Employee Development Discussions
- Access to Human Resource Service Center
- Retiree Service Center
- Benefits counseling is available in cases where the Service Centers are not able to address the employee's questions
- Financial planning through Fidelity
- Nutrition and weight management

LA12 Percentage of employees receiving regular performance and career development reviews by gender

Dow's performance management process is designed to provide Dow with a consistent method of aligning goals and performance expectations, provide ongoing feedback, review performance, and improve the performance of all Dow employees.

Dow strives to have every employee take advantage of meeting with his or her supervisor for a review of performance and development opportunities at least annually. To help set the stage for this review, feedback is gathered and calibration meetings are accomplished to help make the appraisal process meaningful across the wide diversity of global jobs. Each employee's evaluation is recorded in Dow's performance management system.

Based on the employee survey administered in 2011:

- 87 percent of employees (88 percent of females and 87 percent of males) report having an annual performance review with their leader. Geographic transfers, temporary leaves, recent hires, and job changes within the Company are factors that cause the number of reviews to be less than 100 percent.
- 75% of employees, with no difference between male and female employees, report having an Employee Development discussion with their leader in the past 18 months. This number has risen by 4% compared to 2010 due to emphasis on employee development in response to the global survey.



Aspect: Diversity and Equal Opportunity

LA13 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity

Diversity and Inclusion Strategy:

As Dow pursues its transformation agenda, the Company seeks to be a leader in promoting diverse perspectives to fuel innovation and growth.

The Company's Diversity and Inclusion agenda is stewarded by its executive level Global Inclusion Council, which is chaired by Gregory Freiwald, Executive Vice President of Human Resources and includes Dow's Business presidents and a number of key functional leaders. There are 7 direct-reports of the CEO on the Global Inclusion Council. The Council is responsible to help improve the diversity mix of Dow's leadership, and to ensure the Company achieves its corporate-level Diversity and Inclusion (D&I) Goals. Several executive members of the Council also act as Executive Sponsors of our Global Employee Networks.

In 2011, Andrew Liveris, Dow's Chairman and CEO, signed the United Nations (UN) Women's Empowerment Principles (WEPs), a partnership initiative of the United Nations, supporting the mission to promote gender equality and women's empowerment globally. Signing these principles has complemented Dow's internal efforts around women's advancement. As a result of the WEPs, Dow is reporting a broader range of data related to women's equality to create greater transparency around our efforts.

Dow's Diversity and Inclusion goals were established in 1996 by Dow's executive leadership. Behind each goal is a set of metrics and actions to drive progress:

Goal 1: To be the "Employer of Choice" in strategic markets where we recruit talent

- Targeted "Best Employer" Awards
- Partnerships to enhance the diversity of the talent pipeline
- Diversity of Hiring Pools and Hiring Rates

Key Results:

Working closely with seven global Employee Diversity Networks, with more than 150 chapters worldwide, we have established a strategic list of "Best Employer" awards that are meaningful to various segments of our population. These awards establish criteria for what it means to be an Employer of Choice within various diverse communities and provide a competitive performance benchmark against "best practices" in the marketplace.

- Dow has received a 100 percent rating for eight consecutive years on the Human Rights Campaign's Corporate Equality Index, for best practices in creating an inclusive environment for people of all sexual orientations and gender identities.
- Dow placed second in the 2011 International Business Equality Index, a survey by the International Gay Lesbian Chamber of Commerce measuring how international companies are performing in issues related to the Lesbian, Gay, Bisexual, Transgender (GLBT) community in specific countries around the world.
- Dow ranked #19 on the 20th Annual Top 50 Employers list in Woman Engineer magazine.
- Diversity Inc. magazine named Dow to its "Noteworthy 25" Employers List
- The São Paulo State Government presented Dow Brazil with its Diversity Seal award for the second consecutive year.
- Two Dow employees received 2011 awards from the Hispanic Engineer National Achievement Awards Corporation (HENAAC).

Dow partners with several organizations, through both contributions and employee involvement, to increase the diversity of the talent pipeline, with an emphasis on empowering diverse populations and encouraging girls and underrepresented minorities to pursue Science, Technology, Engineering and Mathematics (STEM). Selected examples include:

- Dow is a member of the National Action Council of Minorities in Engineering (NACME) which works to increase the number of successful African American, American Indian, and Latino women and men in science, technology, engineering and mathematics (STEM) education and careers.
- Dow partnered with the Global Business Coalition and the U.S. State Department, as well as other leading corporations, to launch a two-year strategic initiative called "Healthy Women, Healthy Economies" – a unique forum for business that will shape an agenda for corporate investment in women and girls.
- Dow Europe has entered into a multi-year agreement with MyHandicap, with the goal to improve measures to integrate people with disabilities and promoting barrier-free work infrastructures.
- Dow recently announced a new partnership with the National Society of Black Engineers (NSBE)'s to bring Summer Engineering Experience for Kids (SEEK) to Detroit in summer 2012.

2011 Diversity Hiring

	Females (Global)	Minorities (US)
Entry-level Professional	33%	35%
Mid-level Profession	23%	34%
Leadership	27%	30%

Goal 2: Develop a workforce that reflects the places we do business today and tomorrow

As a result of setting goals to increase the representation of women and U.S. ethnic minorities in leadership positions starting from a 2005 baseline, the following has been accomplished:

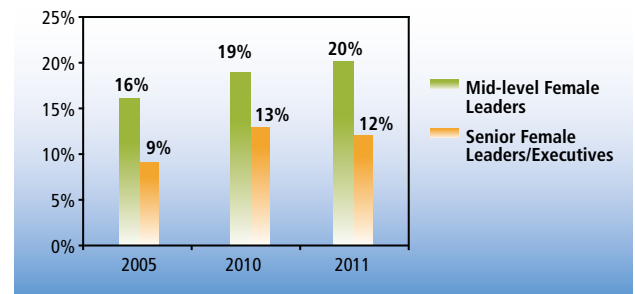
- 55 percent increase in Female Leaders
- 42 percent increase in female Global Leaders*
- 53 percent increase in US Ethnic Minority Leaders
- 35 percent increase in US Ethnic Minority Global Leaders*

*Global Leaders refers to approximately the top 200 positions within Dow.

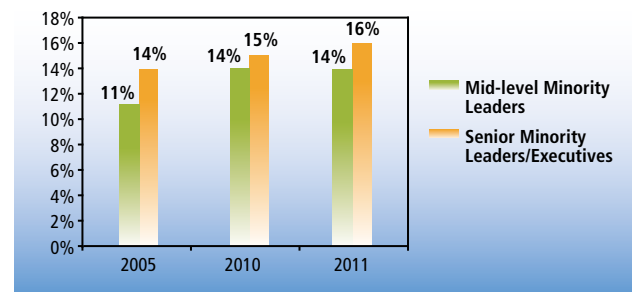
In addition to working to ensure that women and ethnic minorities in the United States have equitable opportunities, we also work specifically to create an inclusive work place for all employees including LGBT employees, people with disabilities, veterans, and employees from all cultural backgrounds.

Progress toward Dow's goal of increasing the representation of women in leadership roles:

Representation of women in leadership roles, globally



Representation of US Minorities in leadership roles, US



Several initiatives support this goal:

- External partnerships with organizations such as the National Society of Black Engineers, Society of Hispanic Engineers, Society of Women Engineers, and the National Council on Business and Disability.
- Active Employee Diversity Networks that help champion an inclusive workforce. Dow currently has almost 150 chapters of its seven Employee Networks around the world.
- Mentoring programs.
- World-class Leadership Development and Executive Education programs, each of which include an emphasis on inclusive leadership and cross-cultural competency building.

Goal 3: Create a workplace characterized by respect and where people value diverse perspectives

Dow's Global Employee Opinion and Action Survey (GEOAS) includes a Diversity & Inclusion index to enable Dow to monitor the degree to which its working culture is marked by inclusion and respect. The overall index was 72% in 2011, up 4 percent from the previous year.

- 74 percent of employees agreed that their work group has a climate in which diverse perspectives are valued, up 3 percent from 2010.
- 78 percent of employees agreed that the behaviors of their coworkers makes them feel respected and valued, up 2 percent from 2010.
- 73 percent of employees agreed that their leader enables flexible and innovative solutions to work/life needs, up 3 percent from 2010.
- 62 percent of employees agreed that there is equal opportunity for people to have a successful career at Dow regardless of their differences or background, up 5 percent from 2010.

We are committed to driving these scores higher, and achieving top quartile performance as benchmarked against the Mayflower Group.

Several initiatives support this goal:

- Diversity and Inclusion-oriented training that reaches all levels of the organization and is embedded within our new employee orientation and leadership development programs
- Specialized workshops to meet emerging needs covering gender norms and unconscious bias, disability etiquette, and on-demand learning resources around LGBT issues and generational differences.
- Efforts to raise cross-cultural awareness and understanding, ranging from lunch-time language classes to access to an on-line Cultural Navigator

Progress on all three goals is tracked at the corporate level and reported quarterly to the Company's executive leadership, through the Global Inclusion Council.

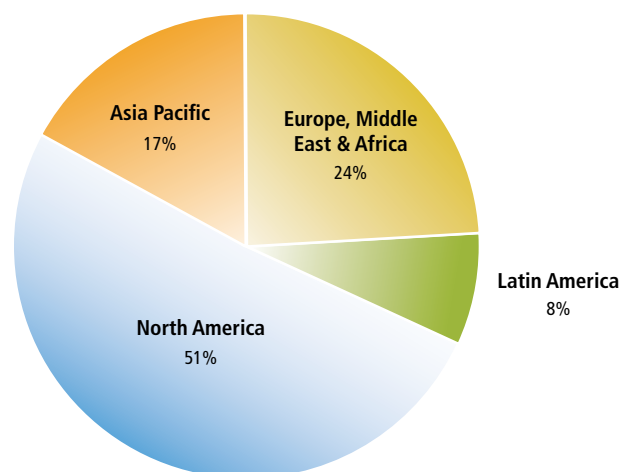
Diversity of Dow's Board of Directors: At year-end 2011, Dow had 12 Directors; 3 are female and 1 is a U.S. ethnic minority. Fifty percent are between the ages of 51 and 60, 33 percent between the ages of 61 and 70, and 17 percent are 71 years of age or older.

In 2011, the CEO had 13 direct reports that form the Executive Leadership Committee, 1 of whom was female and 1 who is a U.S. ethnic minority.

Diversity indicators for the overall employee population

Full Time Global Workforce, by gender, globally	
Male	70 percent
Female	30 percent
Total	100%

The regional distribution, of Dow's global female workforce



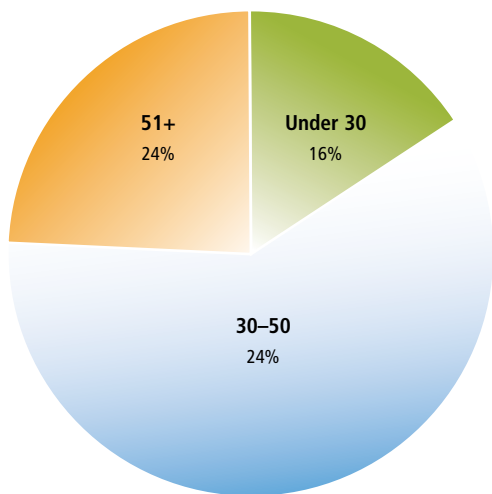
Representation, by job family and gender, regionally

Gender	Europe, Middle East & Africa		Latin America		North America		Asia Pacific	
	F	M	F	M	F	M	F	M
Administrative	88%	12%	71%	29%	92%	8%	91%	9%
Professionals & Managers	30%	70%	34%	66%	30%	70%	30%	70%
Global Leaders & Executives	0%	100%	0%	100%	17%	83%	0%	100%
Technical Employees	18%	82%	12%	88%	17%	83%	17%	83%

Global Workforce, by gender by job family

	Female	Male
Administrative	88%	12%
Professional/Manager	31%	69%
Global Leader/Executive	12%	88%
Technical Employees	17%	83%

The distribution, of Dow's global workforce by age



Diversity indicators for the 220 employees in the Global Leader category

Under 30	0 percent
30 to 50	50 percent
Over 50	50 percent

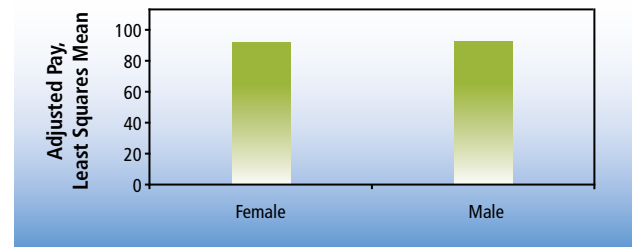
U.S. Workforce, by ethnic minority:

Minority	20 percent
Non minority	80 percent

LA14 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

Dow conducts pay equity studies to verify that the Company is compensating employees fairly. The most recent analysis confirms that the basic salary for men and for women is not statistically different when differences for months in grade, age, highest education, years of service and performance rating are considered.

Overall Pay Equity Analysis



The following provides the unadjusted data by comparing the ratio of male to female base salary within three example grade levels for three job families.

It is important to note that in these tables no adjustment is made for months in grade, age, highest education, years of service and performance rating. The differences in pay are driven by these factors, not by gender.

Family/Grade	Gender	Average Base Salary (US\$)	Ratio of Male to Female
Admin 1	Male	28,840	0.86
	Female	33,213	
Admin 2	Male	39,991	0.93
	Female	43,218	
Admin 3	Male	43,562	0.81
	Female	53,688	
Tech 1	Male	43,350	1.05
	Female	41,393	
Tech 2	Male	60,157	1.07
	Female	56,039	
Tech 3	Male	69,502	1.06
	Female	65,381	
Professional 1	Male	76,947	0.86
	Female	75,342	
Professional 2	Male	95,724	0.93
	Female	93,862	
Professional 3	Male	117,028	0.81
	Female	114,444	

Human Rights



Human Rights Summary

Dow believes that respect for a person's dignity, rights and aspirations should be the cornerstone of any business's ethics. Integrity, Respect for People, and Protecting Our Planet are the core of the way we do business. Global enforcement of Dow's Code of Business Conduct is fundamental to our human rights position and performance.

In order to deploy people effectively Dow identifies competency needed to successfully fill specific job roles. The essence of the Code of Conduct is embedded in most of the competency descriptions. For example, included in the description of competent to lead courageously is: we have the self-confidence to lead by example and listen to a diversity of views.

Regarding investments, Dow recognizes the need to prudently select with whom we choose to enter into business. During 2011 Dow formed a joint venture with Saudi Aramco, one of the leading energy suppliers to the world. The resulting entity, Sadara Chemical Company, now being built in the Eastern Province of Saudi Arabia, will be one of the world's largest integrated chemical facilities, and the largest ever built in a single phase.

Indicators HR1–HR3 provide information about efforts to assure investment opportunities are managed to avoid compromise of our position on human rights and our expanding activities to define expectations of our suppliers.

Dow accepts the responsibility incumbent on manufactures that directly or indirectly involve personal risk to utilize well designed and effective security practices. Dow has been a leader in helping the United States design risk based strategies in several ways and is now helping leverage best practices throughout the rest of the world. See the introduction to Product Stewardship on page 85 and new GRI 3.1 indicators SO9 and SO10 for more information. Also relevant is the collective effort of the chemical sector (Responsible Care® Security Code) to employ security practices that help protect people and the communities in which they live.

See the Dow Code of Business Conduct for Suppliers for more information about how we assess and manage risk to human rights violations related to our purchasing activities.

GRI 3.1 guidelines nominate other potential management approach information be reported, but consistent with our understanding of what is material and of interest to our stakeholders, we point to the performance indicators for information material to our readers. Some reporters who have operations with significant physical labor involvement, or wherein they depend upon suppliers based in countries (or in activities) where labor has a high potential to be at risk will find such topics to be more material. For example, see the indicators HR9–11 for indigenous rights, assessment and remediation comments.

The most senior position with responsibility for Human Rights Aspects is the chief sustainability officer, which is held by David E. Kepler II.

Use the index to see indicators that you may find of most interest in this section.

Dow Code of Conduct:

- We recognize and respect all labor and employment laws – including those respecting freedom of association, privacy and equal employment opportunity – wherever we operate.
- We believe that working positively and directly with employees best serves their interests.
- We strive to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company's mission.
- We do not use forced or involuntary labor.
- We comply with all applicable child labor laws.
- Dow will not tolerate acts of violence, including verbal or physical threats, intimidation, harassment and coercion.

The complete Dow Code of Conduct is available in 25 languages and can be found on Dow's website. Information about relevant training can be found in HR4.

Aspect: Investment and Procurement Practices

HR1 Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening

Dow has an established process for due diligence and implementation phases of mergers, acquisitions and joint venture formations. The EH&S function facilitates a review of all human rights risks prior to the completion of an acquisition or the formation of a new entity. This review includes the topics of ethical and human rights practices and policies.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken

The Supplier Code was launched in 2011 to 43,000 suppliers and is now in all global contract templates helping accomplish adoption with each new contract negotiated. Additionally, Dow worked with Maplecroft, a leading consultant in measurement and management of risk, to create a custom tool that measures supplier risk based on all social and environmental elements of the Supplier Code of Conduct. All Dow suppliers were screened through the tool in 2011. No supplier audits were initiated in 2011 as a result of the findings.

Refer to translations at the website [Code of Business Conduct for Suppliers \(available in multiple languages\)](#). Refer to [Supplier Responsibilities](#) and this [FAQ](#) document for more information.

HR3 Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

Dow has taken steps to ensure all employees are aware of and understand the Company's Values of Integrity, Respect for People, and Protecting Our Planet and the Company's commitment to human rights.

All employees were assigned Code of Business Conduct training within the MyLearning System in 2011.

All employees will be assigned Respect and Responsibility training in 2012.

From Code of Business Conduct for Suppliers: HUMAN RIGHTS & LABOUR

- Respect for People is a core Dow Value. As signators of the UN Global Compact, we adhere to these principles and expect our suppliers to respect the human rights of their employees and treat them fairly, in accordance with all applicable laws.



Aspect: Non-Discrimination

HR4 Total number of incidents of discrimination and actions taken

Based on available records, there were no substantiated incidents of illegal discrimination in 2011. Dow defines incidents of discrimination as substantiated findings of a violation of local law and/or Dow's internal policies, which state:

It is Dow's global policy that employees be provided a work environment which is respectful and free from any form of inappropriate or unprofessional behavior, such as harassment including sexual harassment, pestering or bullying and any form of unlawful discrimination. Discrimination is defined in the policy as "employment related actions that adversely impact an employee, have no legitimate business purpose, and are based on unwarranted individual differences or prejudice, such as sex, gender, race, sexual orientation, gender identity, disability, age, ethnic origin or other inherent personal characteristic protected by law." The application of this policy in any particular country will conform to applicable local laws, directives, regulations and/or labor agreements. Retaliation of any kind against an individual who, in good faith, exercises his or her rights under this policy, makes a complaint, or cooperates in an investigation is prohibited.

Dow actively encourages reports of potential policy violations through ongoing communications and training and offers employees several different avenues to do so. They may raise concerns with their leader, Human Resources, or through the Dow EthicsLine. The EthicsLine is a safe, reliable and convenient alternative to reporting ethical concerns in person. It is available globally, with multi-lingual capabilities, 24 hours a day, seven days a week. The EthicsLine is operated by EthicsPoint (EP), a professional vendor located in Lake Oswego, Oregon, that specializes in providing similar services to global companies. No call tracing or recording devices are ever used,

and callers may remain anonymous if they choose as permitted by the governing jurisdiction. Employees also have the option of reporting to the EthicsLine through the web.

Concerns are promptly reviewed, investigated and depending upon the findings, appropriate actions are taken to address violations and other issues in the work environment. In reviewing concerns raised during this period, Dow did take actions to support a productive work environment. Such actions have included:

- Specific training or communications for particular work groups.
- Individual coaching, communications or counseling as required for leaders and employees.

These case-by-case, as-needed actions supplement our global initiatives around Diversity and Inclusion that include, but are not limited to:

- Training
 - Global workshops on Diversity and Inclusion, as well as on-line training regarding our policies. [Note: Both of these are embedded into our New Employee Orientation globally, ensuring all employees are aware of Dow's expectations as they join the Company.]
 - Inclusive Leadership training for new people leaders.
- Employee Diversity Networks
- Dow now has approximately 150 chapters of its seven Employee Diversity Networks operating around the world. These networks provide support for employees as they pursue personal and professional development and provide insights to the Company on how to become more inclusive.

Aspect: Freedom of Association and Collective Bargaining

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights

No operations are identified that put collective bargaining at risk. Dow's position on freedom of association is included in our Code of Business Conduct Labor Policy. Under this policy, employees are free to form collective bargaining agreements in all areas of operation. As noted in [LA4](#), about 14 percent of employees globally are covered by collective bargaining agreements.

Aspect: Child Labor

HR6 Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor

Dow prohibits unlawful child labor and child exploitation and we comply with all applicable child labor laws. Dow's Position Statement on Child Labor states:

Dow complies with all child labor laws. Dow understands that children may legitimately perform tasks, which do not interfere with their education, do not negatively affect their health, safety, and development, and are in compliance with applicable local, state, national, provincial, and international laws and regulations. Dow will endeavor to make its contractors, vendors and suppliers aware of its expectations and commitments to this policy.

Dow has identified no significant risks for incidents of child labor that would be contrary to our position statement, including young workers exposed to hazardous work either as a function of our type of operations or of the locations where we operate.





Aspect: Forced and Compulsory Labor

HR8 Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations

Reporting processes and response plans are in place to identify and respond to alleged abuse or violence against employees and contractors.

Security personnel, whether proprietary or contract company employees, fully comply with the Company's training requirements, policies and procedures concerning human rights. This training is a condition of employment and is conducted on a repetitive basis. This training includes reinforcing an operating discipline to protect the personal information of our all employees and contractors.

In addition to this baseline training requirement, security personnel are subject to additional functional and situational training in areas relative to human rights. The Company has many secure and anonymous communication methods (as permitted by the governing jurisdiction) for reporting human rights violations, and any reports of such violations are fully investigated and appropriately addressed.

HR9 Total number of incidents of violations involving rights of indigenous people and actions taken

No incidents of violations of indigenous people were reported for the reporting period.

HR10 Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments

Dow's Regional Ethics and Compliance Committees (RECCs) are in a position to become aware of any human rights violations and review and assess the impacts of alleged violations. They operate regionally in all geographical areas where Dow conducts business. There were no human rights reviews or assessments initiated due to an alleged violation in 2011. All regions had active compliance activities.

HR7 Operations identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor

Dow's position on forced or compulsory labor is included in our Labor Policy in our Code of Business Conduct. See [HR5](#) for Labor Policy.

We have identified no operations with a significant risk for forced or compulsory labor in either operations or based on geographies with operations that might be more inclined to be at risk.

Aspect: Security Practices

Aspect: Indigenous Rights

HR11 Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms

No incidents of grievances related to human rights were filed in 2011.

Society

Dow is deploying its research and development skills to help solve the world's most pressing challenges through the lens of the United Nations Millennium Development goals and four market defined megatrends. By focusing on the needs of society, Dow creates solutions that are both far-reaching and broad in benefit. From the food on the table to the technology in our homes, Dow science is making it possible for people everywhere to live better and more sustainably.



Dow AgroSciences: Delivering Solutions for Sustainable Agriculture

By 2050, the world's food production systems must support an estimated 9 billion people, with a shrinking base of agricultural land and limited water resources. Dow AgroSciences combines science and technology to discover and develop innovative agricultural solutions for a more sustainable world. We are committed to increasing crop productivity through higher yields, better varieties, and more targeted pest management control. We use innovative chemical and biotechnology solutions to meet the food, feed, and fiber needs of the world.

OUR COMMITMENTS

We focus on the discovery and development of greener and more sustainable solutions. As a result of this focus, Dow AgroSciences has been awarded four U.S. EPA Presidential Green Chemistry Awards and two U.S. EPA Stratospheric Ozone Awards for solutions that meet market needs while minimizing the environmental impact.

Our innovative products and solutions provide positive contributions to the lives of farmers, ranchers and consumers. Dow AgroSciences has a diverse portfolio of leading-edge insecticide, herbicide, fungicide, fumigant and seed technologies for customers around the world. We also develop seed to produce Omega-9 Canola Oils that are identified by their industry leading profile that is high in heart-healthy oleic acid (>70%), low in linolenic acid (<3%), lowest saturated fat among currently available vegetable oils, and zero trans fat. In addition, our Omega-9 Sunflower Oils will be identified by their industry leading profile of high oleic acid (>90%), lowest saturated fat (3%) among all vegetable oils, and zero trans fat. Omega-9 Sunflower Oil will be the first vegetable oil to qualify for a claim of "zero grams of saturated fat per serving."



We minimize our own environmental impact while delivering solutions that help our customers and the rest of society do the same. From solutions that have earned recognition from the U.S. EPA and reduce ground and surface water contamination to innovations in sustainable product packaging, Dow AgroSciences is committed to being a responsible steward of the environment.

We are committed to contributing to community success in sustainable ways.

Addressing critical society, economic and environmental needs, the service-minded people of Dow AgroSciences focus their energies in a wide range of community service programs concentrated on sustainable agriculture, STEM education, hunger relief, conservation, cultural endeavors, and the arts. Dow's work to help combat the spread of AIDs in South Africa is the subject of a video that the Company recently submitted to the 4th Annual Boston College Corporate Citizenship Film Festival. Dow's video, titled "Murray's Letter," is the story of a young woman infected with HIV at birth. Murray's Letter is written by Dr. Murray Coombs, a Dow physician who wanted to impart his message of hope to the young woman and all AIDS sufferers. Set in South Africa, it is the story of Dow's HIV/AIDS outreach and how it expanded to support orphanages that house children who once had no hope of living past early adulthood.

CORPORATE CITIZENSHIP IS EXPANDING THROUGH DOW SUSTAINABILITY CORPS

Through the Dow Sustainability Corps, the Company is expanding its efforts in Corporate Citizenship by providing talent and expertise for projects that help address some of the world's most pressing challenges, usually in parts of the world where it is hard for people to meet their basic needs.

In its third year of increasing deployments, The Corps has engaged 17 volunteers in more than 2,200 hours of service in five countries. One of these 10 projects was in Ghana, western Africa.

Every day the women and children in Accra, Ghana, visit the city's water center. They wash and fill their containers, carry them home and often return again for additional water.

This simple act was not possible just a few short years ago, when these same citizens used makeshift buckets to retrieve

water from nearby rivers and streams that harbor pollution and disease.

Dow's Joyce Dennison knows well the struggles of the residents of Accra. Joyce traveled there in June 2011 on behalf of Dow to work with a safe water non-government organization (NGO) to help create a monitoring and evaluation platform for one of Accra's water supply sources.

Joyce, an information/technology employee at Dow, was a "technical volunteer," working through Dow Sustainability Corps.

The Corps helps meet the world's most basic needs by matching interested and capable employees with NGOs, social entrepreneurs and government agencies that need support for sustainable development projects.

Dow employees like Joyce who take assignments as part of the growing Corps use their time, professional skills and knowledge to help improve the lives of people around the world. Deployments are work assignments in which the employees deliver results just as they do in their daily company roles and responsibilities.

Corps projects put "action" behind the company's global citizenship commitment and support corporate business strategy through increased insight into communities and potential business opportunities. For example, because of Joyce's work, Dow has been able to understand water sector needs in emerging geographies, which translates to significant business benefit for Dow.

Sustainability is the operative word in Joyce's deployment. One of the greatest benefits of helping to optimize and validate the water centers is the long-term, replicable standards the team created. Her deployment not only provided technology expertise but also helped establish a foundation for maintenance, housekeeping, customer education, and record-keeping that is required for safe and efficient operations of the community water stations.



↑ Joyce Dennison

WORKING COLLABORATIVELY

The Ghana water project demonstrates that collaboration is fundamental to the success of Corps projects. Addressing complex, societal challenges is not something any individual or company can do alone.

The U.S. Chamber of Commerce's Business Civic Leadership Center (BCLC) is a key enabler of this vision. Dow engages with the BCLC as a leader in bringing together resources and expertise to affect change.

Dow was instrumental in helping launch BCLC's International Business Corps (IBC), an action-oriented collaborative approach to volunteerism. Through IBC, individuals from companies work together on projects and leverage their core skills as well as their resources. Learn more at: bclc.uschamber.com/article/international-business-corps

IBC projects work to spur sustainable economic development through:

- › Increasing access to education
- › Stimulating entrepreneurship
- › Providing vocational training
- › Creating conditions for employment opportunities

Dow also worked actively with BCLC to create the "[Business for Good Map](#)," a global repository of corporate philanthropic efforts. Go to csr.bclcmaps.com to take a look at the map.



To look at the map, scan this code with your smartphone QR app.

DOING MORE

The Dow Sustainability Corps is an important way for the Company to make a bigger difference around the world, in addition to Dow's other [corporate philanthropic efforts](#). It gets our employees involved in making the difference. They become better employees, and Dow moves closer to its goal of becoming the most profitable and respected science driven company in the world.

Learn more at dow.com or join the conversation by finding Dow on Facebook and Twitter @DowChemical.

Dow Gives Hope to AIDS Victims

↳ The story of Dow's commitment to combat the spread of HIV/AIDS takes us to South Africa, where Dow physician, Murray Coombs, M.D., is engaged in a health effort that has extended well beyond the company's walls.

Africa has the largest number of HIV infections in the world. Sub-Saharan Africa remains the most seriously affected, with AIDS remaining the leading cause of death.

Dow's efforts to combat the incidence and spread of HIV have centered on multiple interventions and benchmarking progress. The excellent news is the program is working, with the rate of new infection decreasing from more than 50 percent in the 1980s and 90s, to less than 3 percent today. All HIV-positive employees are on a treatment regimen and the mortality rate remains at zero.

But that positive result has not been enough for Dow. With the help of Dr. Coombs and many other committed employees, Dow reached out to orphanages and schools in the region to support children who have lost their families. Dow's support, through employee volunteerism and financial commitment, helps ensure that these children lead healthy, productive lives.



To view a video about this effort, scan the QR code with your smartphone.

MAKING A GLOBAL IMPACT

Dow is a member of the United Nations (UN) Global Compact, the world's largest voluntary corporate citizenship initiative. The Compact is comprised of more than 8700 corporate participants from more than 130 countries, working to achieve advances in the areas of human rights, labor, environment and anti-corruption. As a part of Dow's Global Compact involvement, the Company also supports the UN CEO Water Mandate and Caring for Climate initiatives. The CEO Water Mandate is a private-public initiative with a focus on developing strategies and solutions to contribute positively to the emerging global water crisis. Caring for Climate is a voluntary action platform for those UN Global Compact participants who seek to demonstrate leadership on the issue of climate change.

Another way Dow contributes to society is through The Dow Chemical Company Foundation (See EC8). The Foundation provides charitable gifts to eligible non-profit organizations that contribute to community success and support sustainability, while fostering science in society and stimulating innovation. In 2011, Dow and The Dow Chemical Company Foundation contributed \$43.6 million to support a wide range of programs around the world.

TAKING ACTION IN GOVERNMENT

Dow Government Affairs professionals, located around the world, offer expertise in essential areas of the public and international policy process, including policy development, process expertise and relationships. They identify legislative issues of importance to Dow and develop strategies to positively affect the outcome for our Company. Dow's Government Affairs professionals build relationships with key government stakeholders, policy influencers, lawmakers, coalitions, and trade and business associations that impact Dow's interests and business concerns.

The most senior position with responsibility for Society Aspects is the chief sustainability officer, which is David E. Kepler II.

Use the [index](#) to see indicators that you may find of most interest in this section.

Society Performance Indicators

Aspect: Community

S01 Percentage of operations with implemented local community engagement, impact assessments, and development programs.

Guided by the materiality principle as defined in GRI Reporting Guidelines, Dow focuses attention on the sites within the Company where community engagement is most important to the future of the community and to the Company. As part of our 2015 Community Success 10 year Goal, we are implementing custom Community Success plans in the following locations:

- › Pittsburg, CA
- › Zhangjiagang, China
- › Plaquemine, LA
- › Midland, MI
- › Rhine Center, Germany
- › Terneuzen, The Netherlands
- › Freeport, TX
- › Hahnville, LA
- › Stade, Germany
- › Aratu, Brazil
- › Philadelphia HUB sites:
 - Bristol, PA;
 - Philadelphia, PA;
 - Springhouse, PA;
 - Newark, DE;
 - Pennsauken, NJ

These sites represent only 8 percent of our locations as defined in Profile Disclosure 2.8, but they represent over 30% of the employee base and about 75 percent of the output of the Company. Progress in our Community Success Goal is reported [Quarterly Update](#).

In 2011 the tools used to help build the above Community Success Plans were modified and made available for use throughout the Dow world. We are encouraging the use of these concepts and tools where there is a need, but we are not tracking overall implementation.

In addition to customized plans to help create successful communities, Dow has been a long time user of Community Advisory Panels (CAPs) to understand issues and foster engagement. The purpose of a CAP is to:

- Provide a means for open, honest, two-way communication in order to build trust and credibility
- Enable community members to ask questions or comment upon the Company's operations and activities
- Provide a way for Company representatives to learn about community concerns
- Provide information and get feedback about Company goals and operations

CAP members represent a well-rounded cross-section of the community and may include business persons, local government representatives, retirees, and homemakers. CAPs are active in 20% of the communities where Dow has operations.

SO9 Operations with significant potential or actual negative impacts on local communities.

Dow implements the American Chemistry Council (ACC) Responsible Care® Guiding Principles (responsiblecare.americanchemistry.com/Responsible-Care-Program-Elements/Guiding-Principles) at all Dow sites globally. This process identifies the potential for negative impacts on communities, the characteristics of most risk within the individual location, the points of vulnerability and leads to an improvement plan where needed to reduce the potential for negative impacts. For security reasons information about specific sites is not reported. More information can be found in the [Responsible Care® Security Code](#) at the American Chemistry Council website.

SO10 Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

Dow has been a leader in chemical industry security assessment and preparedness and participates in regular independent third-party Responsible Care® Management System reviews to ensure compliance. Included under the Responsible Care® umbrella are site-based initiatives such as the Community Awareness and Emergency Response (CAER) and TRANSCAER initiatives which engage in awareness and training for local community advisory panels, the general public and emergency response organizations. In addition Dow has signed the [Responsible Care® Global Charter](#) which expands and sustains this effort on a global basis.

Both Dow initiatives focus on information-sharing relative to potential risk and plant operations with specific community and response organizations as well as the general public, and require integrated industry/community emergency response planning and preparedness. Dow has specifically implemented the ACC Responsible Care® Security Code including repetitive security vulnerability assessments at all Dow sites globally, and has included security scenarios in all emergency plans. All sites, businesses and geographies are fully integrated in the corporate crisis management process.

[This document](#) published by the Department of Homeland Security is an example of how a Chemical Security Vulnerability Assessment (SVA) is accomplished.

Aspect: Corruption

SO2 Percentage and total number of business units analyzed for risks related to corruption

Risk reviews are an integral part of Dow's Ethics and Compliance program. Dow's CEO has appointed key Dow personnel to serve as members of Dow's Regional Ethics and Compliance Committees (RECCs) to address all the geographical areas where Dow conducts business.

Dow's Office of Ethics and Compliance maintains an ongoing dialogue with all RECCs regarding the potential risks in the regions, including the risk of corruption. In addition, the Office of Ethics and Compliance stresses the importance of an ongoing risk analysis in each of the RECCs.

The efforts of the Office of Ethics and Compliance and the RECCs are in addition to the Dow Enterprise Risk Management Process and the ongoing efforts of the Dow Legal Department to counsel the businesses on potential risks.

SO3 Percentage of employees trained in the organization's anti-corruption policies and procedures

Dow requires online anti-bribery (FCPA) training and the completion of a questionable payments certification for certain employees based on the perceived risk of corruption posed by the type of role and the region where the employee works. Nearly all Dow employees were required and completed the on-line training and the questionable payments certification before the end of 2011. The questionable payments certification is an annual certification.

In addition, Dow's Office of Ethics and Compliance and Dow's Legal Department conduct on-going training for employees at all levels of the Company who may encounter the potential for bribery or corruption.

Dow's Office of Ethics and Compliance periodically provides the Regional Ethics Compliance Committees (RECCs) with highlights of major/noteworthy FCPA/Anti-bribery enforcements actions as an additional means of education and awareness.

Finally, Dow periodically requires all employees to complete the on-line Code of Business Conduct training module. The Code of Business Conduct training module currently includes an entire section, Financial Integrity and Accurate Company Records, dedicated to Books and Records, Questionable Payments and the FCPA.

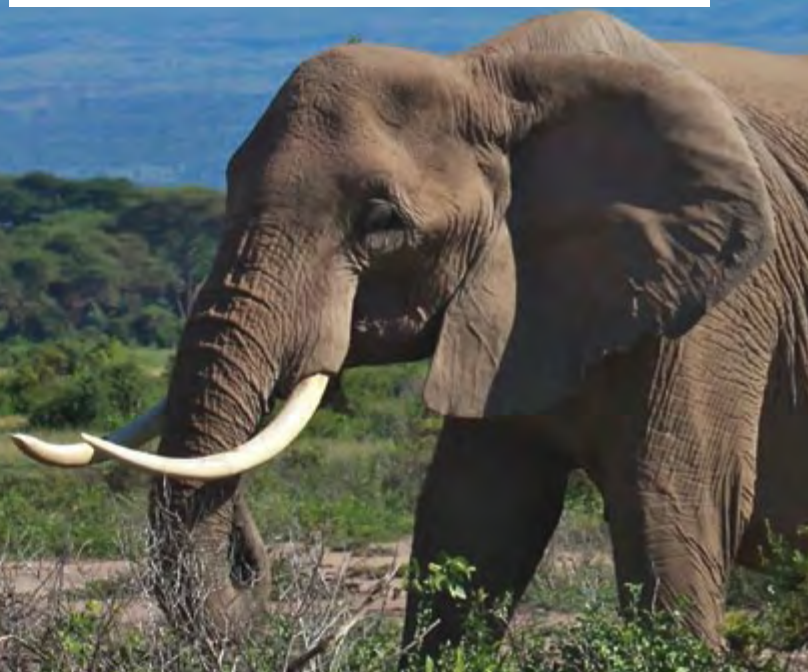
SO4 Actions taken in response to incidents of corruption

A review of the complaints and completed investigations in 2011 revealed that:

- No Dow employees were terminated for corruption-related behavior.
- No Dow employees were formally disciplined for corruption-related behavior.

For the purposes of this Section SO4, Dow is defining "corruption" as any form of bribery involving private parties or government officials.

Dow continues with its internal control practices, training and due diligence to identify potential risk areas and to implement risk-mitigation practices within the Company. Examples of such risk-mitigation practices include, but are not limited to: FCPA and anti-bribery training, acquisition due diligence, internal financial controls, an Ethics and Compliance program that includes a strong local presence through the Regional Ethics and Compliance Committees (RECCs), and intermediary review processes.



Aspect: Public Policy

S05 Public policy positions and participation in public policy development and lobbying

Global Commitment, Local Responsiveness

Public Policy at The Dow Chemical Company is based on an unwavering commitment to solving global problems while effectively responding to regional and local needs. As the world's largest chemical company, Dow is actively engaged in public policy in a number of ways:

- Global industry leadership – demonstrating a relentless focus on excellence, innovation and sustainable performance.
- External focus – conducting business with responsiveness to public issues and concerns.
- Community commitment – strengthening relationships within the countries, regions and cities where we operate.
- Public and organizational engagement – building relationships with governmental and non-governmental organizations dedicated to trade, sustainability and various other humanitarian issues around the world.

Dow is uniquely positioned to provide innovations that lead to energy alternatives, less carbon-intensive raw material sources. Our products are used in solar power photovoltaics, concentrated solar power thermal systems, wind turbines and in energy saving building systems. Information related to how these products are part of a more sustainable world consider [Dow's Position on Energy & Climate Change](#).

Energy

Dow operates at the apex of energy and manufacturing on a worldwide scale. Energy is an enabler of global economic growth, and energy efficiency remains critical to meeting the world's energy demands. Dow's innovation engine is driving energy solutions that meet society's needs and provide a competitive advantage to our company and our customers. From a manufacturing perspective, we believe energy policy must include four major pillars:

1. Conserve by aggressively pursuing energy efficiency and conservation
2. Optimize, increase and diversify domestic hydrocarbon resources
3. Accelerate development of clean and sustainable energy alternatives
4. Transition to a Sustainable Energy Future

Please visit our policy perspectives on the future of energy. You will find The Dow Energy Plan for America, Natural Gas: Fueling an American Manufacturing Renaissance, and Leading the Way to a Sustainable Energy Future. Two examples of additional topics that are addressed are; Rethinking Energy, and the importance of Accelerating the Development of Alternative and Renewable Energy.

Did you know?

Today, globally, the world's population consumes about 4 times as much oil as we discover.

Chemicals and Health

The public is increasingly interested and concerned about the presence of chemicals in people and the environment due to NGO allegations that certain 'chemicals of concern' have potential to cause harm at low levels. To address these challenges, Dow is engaged in collaborative work with industry, academics and government scientists to understand human and environmental risk. Leading the industry in endocrine screening, development of predictive toxicology capabilities and risk assessment of mixtures, Dow understands that historical testing and risk assessment methodology need to be improved. We are investing more time in outreach to our downstream value chain partners to confirm our understanding of their use/exposure and to ensure that we are in a position to support them in addressing questions from consumers. With the increasing focus on Green Chemistry and more sustainable products to replace 'chemicals of concern', Dow is investing significantly in research to develop alternatives with an improved environment and health profile. We use comprehensive sustainability screening to ensure that alternative materials are indeed improved over existing products. Dow believes these collective efforts have the potential to increase consumers' confidence in our materials and result in a competitive advantage.

Biotechnology

By 2050, the world's food production systems must support an estimated 9 billion people, with a shrinking base of agricultural land and limited water resources. Visit [Dow AgroSciences](#) to learn more about how innovative chemical and biotechnology solutions are helping to meet the food, feed, and fiber needs of the world. [Dow AgroSciences](#) has adopted principles to guide decision-making using biological knowledge and techniques to develop products and services for the benefit of our customers, shareholders and society.

Historical Issues

While collaboration with external stakeholders will continue to help Dow build a sustainable future, Dow also recognizes the need to engage stakeholders in the ongoing public debate around historical issues and challenges. These issues and challenges include Agent Orange, asbestos, Bhopal and dioxin. Although we are committed to engaging in dialogue with others who are similarly dedicated to respecting diversity of opinion and constructive exchange of ideas, our ability to engage is oftentimes limited by the existence of pending litigation. To learn more about these issues and challenges, visit [Issues and Challenges](#) on [dow.com](#).

S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

Political Action Committees (PACs) provide for United States employee participation in the U.S. election process. In 2011 Dow PACs contributed \$162,640 to 82 federal candidates, \$8,500 to 3 leadership committees, \$15,000 to 3 PACs, \$5,000 to a trade association PAC; \$35,000 to 3 national political party committees, \$5,000 to 2 judicial candidates and \$43,875 to 48 state, statewide candidates and state parties in Michigan, Texas and West Virginia. Contributions from Dow PACs totaled \$275,015.

In 2011, Dow's corporate political contributions (non-PAC related) totaled \$444,250 going to state political candidates, parties and political advocacy organizations (where allowed by law).



Society Performance Indicators

Aspect: Anti-Competitive Behavior

S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

See [Dow 2011 10-K](#) for the fiscal year ending December 31, 2011 – PART I, Item 3 Legal Proceedings and PART II, Item 8, Note N – Commitments and Contingent Liabilities.

Society Performance Indicators

Aspect: Compliance

S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

Currently Dow systems do not classify whether a fine is related to products, the environment, or other focus of law. See note in [EN28](#) for more information.

The Company does not have non-monetary sanctions to report for 2011, nor is there awareness of a case or cases that should be disclosed as events brought through dispute resolution.

Additional information is also provided in [Dow's Form 10-K](#) for the fiscal year ending December 31, 2011 – Note N – Commitments and Contingent Liabilities.

Product Stewardship



Three of the 2015 Sustainability Goals (Sustainable Chemistry, Product Safety Leadership, Breakthroughs to World Challenges) help us drive our product offering to be the supplier of solutions that will help the world meet needs in a sustainable way. Progress during 2011 can be found in the [Sustainability Summary](#) section.

Dow Product Stewardship [standards and practices](#) cover all stages of a product's life cycle and are closely monitored via Dow's governance program through a combination of self-assessments, annual management system reviews, and corporate audits to ensure continuous improvement. These guidelines set strict goals for addressing the complicated challenges of research, development, manufacture, quality assurance, transportation, distribution and marketing of Dow products and services. See [Product Stewardship Management Standards](#) on [dow.com](#) for more detail. Dow, as part of our 2015 Product Safety Leadership goal, contracted with a 3rd party to conduct an independent assessment of its product safety program and to make recommendations for improvement. Dow will make public a summary of the findings and its proposed action to respond.

During 2011, Dow continued to contribute to product safety Capacity Building Workshops focusing on Asia, South America, Eastern Europe and Africa. Through Dow's leadership at the International Council of Chemical Associations (ICCA), Dow shares best practices in environment, health and safety, chemicals management, and product stewardship. Experts teach small and medium sized companies how to assess the safety of their products, conduct product stewardship with their customers and develop product safety assessment summaries.

Dow strongly supports the United Nations Environment Programme (UNEP) Strategic Approach to International Chemicals Management (SAICM) and its vision that "By the year 2020, chemicals are produced and used in ways that minimize significant adverse impacts on the environment and human health." Dow contributes to SAICM through its own EH&S and Sustainability improvement initiatives, and especially through its leadership at ICCA which has made strengthening SAICM a priority for the upcoming United Nations "Rio+20" summit. ICCA is working with UNEP and other stakeholders to build chemicals management capacity in the developing world.



A special forum in Beijing took place in November to celebrate the 25th anniversary of APELL (Awareness & Preparedness of Emergencies at Local Level). Co-sponsored by the United Nations Environmental Programme (UNEP), China's Ministry of Environmental Protection (MEP), Renmin University of China, Dow Chemical and Petrobras, the event marked the longevity of an initiative that strives to minimize the impact on the environment, and people from industrial accidents and natural disasters. APELL seeks to help local communities and emergency responders prepare for and safely manage such events.

TRAINING AND AWARENESS

Dow has programs to ensure that employees who have a role in product safety are regularly trained so that they have the knowledge and skills necessary to successfully carry out their responsibilities. Such training includes topics such as toxicology and environmental sciences, risk assessment and management, and regulatory requirements. Concepts of sustainability are included in this training. During 2011, a basic toxicology training class was developed for our R&D organization and is now being implemented. The intent is to better equip our bench chemists to anticipate potential hazards and risks and to take steps to work toward developing more sustainable alternative products (e.g., "green chemistry").

CUSTOMER HEALTH AND SAFETY

For the more hazardous products Dow sells, we offer training for customer employees so that they understand the hazards and safe-handling practices necessary to prevent harm to human health and the environment. During the past several years, Dow has made a concerted effort to train our distributors based in Asia Pacific and Latin America on Dow's product stewardship expectations for them, regulatory requirements, and Dow's commitment to sustainability. More than 300 distributors have participated in such training programs conducted in local language in multiple countries in those regions.

MONITORING AND FOLLOW UP

Dow's internal product stewardship management standard requires our businesses to monitor the effectiveness of their programs and to promptly respond to any evidence that customers may be having difficulty handling their products. Dow sales representatives have been trained to ask their customers about product stewardship issues and to call on Dow experts as necessary to assist the customers to resolve any issues. If, in Dow's opinion, the customer is not making sufficient progress to address any health and safety issues, Dow reserves the right to stop sales until the situation has been remedied. Dow also maintains emergency response numbers in every country where we sell products which are published on our Safety Data Sheets which are sent to every customer with the shipment and web sites that have up-to-date technical and health and safety information on each product. Visitors to the web site are encouraged to submit questions and these are monitored and answered promptly.

The most senior position with responsibility for Product Aspects is the vice president, Sustainability and EH&S, which is currently held by Neil Hawkins.

Use the [index](#) to see indicators that you may find of most interest in this section.

Product Stewardship Performance Indicators

Aspect: Customer Health and Safety

PR1 Life cycle stages in which health and safety impacts of products and services are assessed for improvement and percentage of significant products and services categories subject to such procedures

All significant products are subject to and assessed for improvement opportunities as part of the Dow EH&S management approach at each of the stages of the product life cycle shown below.

	Yes	No
Development of product concept	x	
R & D	x	
Certification	x	
Manufacturing	x	
Marketing and promotion	x	
Storage distribution and supply	x	
Use and service	x	
Disposal, reuse, or recycling	x	

Dow businesses use the Business Risk Review process to minimize possible adverse impacts on people, property and the environment as a result of Dow's business activity, including minimizing EH&S impacts associated with new and existing operations, products, applications and services throughout their life cycle.

Businesses are to conduct risk reviews when new information is received, including changes in product uses, regulations, raw materials, etc., or when triggered by the passage of time (e.g., every 3 years). In the process, and through use of supporting processes and tools, health and safety impacts can be assessed through new product development, manufacture of product, transportation and distribution, use of product at customer facilities, through recycle, reuse or disposal. Risk mitigation measures are identified and implemented as a direct result of the Business Risk Review work process. Various Product Stewardship efforts such as distributor and customer qualifications and industry advocacy work are examples of involvement in the storage, distribution, supply and use steps of product life.

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes

This indicator requests the number of non-compliance events identified for products that are ready for use and therefore subject to regulations concerning health and safety. A review of Dow's compliance tracking mechanism revealed one incident during the 2011 period for a product ready for use, in use, or in disposal.

One of the ways in which Dow strives to protect human health and the environment throughout the life cycle of its products is through Responsible Care®. Dow's commitment to this voluntary initiative has led to the implementation of Dow's Responsible Care® Management System, which has been certified externally regarding adherence to the principles of Responsible Care®. For more information about health and safety management over the life cycle of products, see guiding principles at the [Responsible Care® website](#).

Aspect: Product and Service Labeling

PR3 Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements

The following information is provided for all significant products where subject to national laws or the OECD Guidelines.

	Yes	No
Sourcing of components	x	
Content that might produce environmental impact	x	
Safe use of product	x	
Disposal of product and impacts	x	

Dow's products must comply with hazard communication program requirements, including appropriate labeling and Material Safety Data Sheets, for all countries in which Dow sells them. The content of the label and safety data sheet is specified in local laws and regulations and includes such information as product composition, safe use recommendations, and appropriate disposal practices.

In addition, Dow provides direct customer support when additional handling or safety information is requested; including information that supports the use of product in critical applications (food contact, pharmaceuticals, biocidal applications, etc.) and for customs purposes. We provide technical data (physical properties, performance in application) and recommendations for safe handling and storage and give specific guidance regarding product uses that Dow supports.

Dow is in compliance with the REACH regulations promulgated by the European Union (EU), which does require information on the chemical properties, hazard profile, and uses of all products manufactured in or imported into the EU that have

met the criteria for inclusion. Dow is also implementing activities required for compliance with the Globally Harmonized System for Classification and Labeling.

Dow's 2015 Sustainability Goal for Product Safety Leadership commits the Company to make Product Safety Assessments (PSAs) publicly accessible for all saleable products globally and to address relevant gaps in information.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

Not reported by the Company at this time. Adjustments in label auditing will be involved to compile this information for reporting. Compliance reporting for [PR4](#) is a long-term goal.

PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

Customer Service Organization satisfaction metrics are used to evaluate and improve the customer's experience in doing business with Dow. Key Performance Metrics are now visible to all employees and are updated each quarter to track performance. The overall Ease of Doing Business is tracked through survey instruments that gain insights about customer experience with different aspects of doing business with Dow. During 2011, the Ease of Doing Business indicator of Customer Satisfaction was 8.3 with a target of 8.0 (scale of 1 to 10). The survey includes the question: "Overall, how satisfied are you with the performance of Dow as a supplier?" Seventy seven percent of the customers who responded to this question reported being satisfied.

Product Stewardship Performance Indicators

PR6 Programs for adherence to laws, standards, and codes related to marketing communications, including advertising, promotion, and sponsorship

Marketing communications programs and materials are reviewed by Dow Legal and regulatory specialists to ensure that they are compliant with local laws and regulations as well as Dow's Ethics and Compliance policies. Dow employs, via its Product Safety and Supply Chain organization, systems designed to understand regulatory restrictions regarding its products and abides by those restrictions in the sales of its products, including products banned by regulation. Dow employs, via its Product Safety organization, a risk recognition and response system that incorporates societal concerns as one endpoint. Dow does sell products about which stakeholders have concerns. Dow believes these products are safe for their intended uses.

Aspect: Marketing Communications

PR7 Total number of incidents of non-compliance with regulations and codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

No incidents of non-compliance concerning marketing communications were identified for the reporting period.

Product Stewardship Performance Indicators

Aspect: Customer Privacy

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

We have internal controls to prevent the release of customer information. To the best of our knowledge, there are no customer privacy complaints.

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

Currently Dow systems do not classify whether a fine is related to products, the environment, or other focus of law. See note in [EN28](#) for more information.

We are unaware of any significant fines resulting from our products in use in 2011. Through our internal auditing programs, further scrutiny is applied to assure internal and external requirements are met.

Additional information is also provided in [Dow's Form 10-K](#) for the fiscal year ending December 31, 2011 – Note N – Commitments and Contingent Liabilities.

Human Rights Performance Indicators

Aspect: Compliance

Index

Introduction — (Page No. 3–13)

Description	Page No.
External Verification and Application Level	3
Finding What is of Interest	3
Table of Contents	4
Introduction and Other Reporting References	5
Q&A for More Understanding	6–7
Sustainability Overview — 2010	8–13

Strategy and Profile of The Dow Chemical Company — (Page No. 14–35)

Profile	Description	Page No.	Reporting Level	Comment
1.1	Statement from CEO presenting overall vision	15–16	Reported	
1.2	Key impacts, risks, and opportunities	17	Reported	
2.1	Name of reporting organization	18	Reported	
2.2	Primary brands, products, and/or services	18	Reported	
2.3	Operational structure of the organization	18	Reported	
2.4	Location of organization's headquarters	18	Reported	
2.5	Countries of operation	19	Reported	
2.6	Nature of ownership and legal form	19	Reported	
2.7	Markets served	19	Reported	
2.8	Scale of the reporting organization	20	Reported Page 45 Proxy 2011.	
2.9	Significant changes during the reporting period	20–21	Reported	
2.10	Awards received during 2009	21	Reported	
3.1	Reporting period	22	Reported	
3.2	Date of most recent previous report	22	Reported	



Profile	Description	Page No.	Reporting Level	Comment
3.3	Reporting cycle	22	Reported	
3.4	Contact point for questions regarding the report	22	Reported	
3.5	Process for defining report content	22	Reported	
3.6	Boundary of the report	23	Reported	
3.7	Limitations on the scope or boundary of the report	23	Reported	
3.8	Basis for reporting that can significantly affect comparability	23	Reported	
3.9	Data measurement techniques and the bases of calculations	24	Reported	
3.10	Explanation of any re-statements of information provided in earlier reports	24	Reported	
3.11	Significant changes from previous reporting	24	Reported	
3.12	Table identifying location of Standard Disclosures	24	Reported	
3.13	Policy and practice regarding external assurance for the report	24	Reported	Assurance for the report has been provided by ERM
4.1	Governance structure of the organization	26	Reported	
4.2	Is the Chair of the Board of Directors also an executive officer?	27	Reported	
4.3	Members of the Board of Directors that are independent and/or non-executive members	27	Reported	
4.4	Mechanisms to provide recommendations or direction to the highest governance body	27	Reported	
4.5	Linkage between compensation and the organization's performance	28	Reported	
4.6	Processes to ensure conflicts of interest are avoided	28	Reported	
4.7	Process for determining the qualifications and expertise of the Board members	28	Reported	
4.8	Statements of mission or values, codes of conduct, and principles	29	Reported	
4.9	Procedures for overseeing economic, environmental, and social performance	29	Reported	
4.10	Processes for evaluating the highest governance body's performance	29	Reported	
4.11	How the precautionary approach is addressed	30	Reported	
4.12	Externally developed economic, environmental, and social charters to which the organization subscribes or endorses	30–31	Reported	
4.13	Memberships in associations and/or advocacy organizations	32	Reported	
4.14	List of stakeholder groups engaged by the organization	33	Reported	
4.15	Basis for identification and selection of stakeholders	33	Reported	
4.16	Approaches to stakeholder engagement	33–35	Partial Response	We do not report engagement by type and by stakeholder group. Examples give readers context for the extent of engagement. We will report number of engagement events by 2014.
4.17	Key topics and concerns raised through stakeholder engagement	35	Reported	

The Economic Impact of Sustainability

Economic Disclosure on Management Approach (Page No. 36–43)

Item	Description	Page No.	Reporting Level	Comment
Aspect	Economic Performance Indicators	38–40	Reported	
EC1	Economic value generated and distributed	38	Reported	
EC2	Financial implications due to climate change	39	Reported	
EC3	Coverage of defined benefit plan obligations	39	Reported	
EC4	Significant financial assistance from government	40	Reported	
Aspect	Market Presence	41	Reported	
EC5	Range of wage ratios	41	Reported	
EC6	Spending on locally-based suppliers	41	Reported	
EC7	Procedures for local hiring	41	Reported	
Aspect	Indirect Economic Impacts	42–43	Partially Reported	Fully reporting on indirect economic impacts globally is not applicable because we provide examples and believe we meet stakeholder's expectations in this area.
EC8	Infrastructure investments and services	42	Reported	
EC9	Indirect economic impacts	43	Partial Response	Fully reporting on Economic impacts globally is not applicable because we provide examples and believe we meet stakeholder's expectations in this area.

Taking Responsibility for Our Impact on the Environment

Environmental Disclosure on Management Approach (Page No. 44–63)

Item	Description	Page No.	Reporting Level	Comment
Aspect	Materials	47	Reported	
EN1	Materials used	47	Reported	
EN2	Recycled input materials	47	Reported	
Aspect	Energy	48–49	Reported	
EN3	Direct energy consumption by primary source	48	Reported	
EN4	Indirect energy consumption by primary source	48	Reported	
EN5	Energy saved through conservation and efficiency improvements	48	Reported	
EN6	Initiatives related to renewable energy	48–49	Reported	
EN7	Initiatives to reduce indirect energy consumption	49	Partial Response	Reporting for EN7 in regard to the details of reduction by category are not available. We address energy initiatives for direct and indirect energy collectively. We plan to continue to expand our reporting for indirect energy annually.



Item	Description	Page No.	Reporting Level	Comment
Aspect	Water	50–51	Reported	
EN8	Total water withdrawal	51	Reported	
EN9	Water sources significantly affected	51	Reported	
EN10	Water recycled and reused	51	Partial Response	Not all recycled or reused water is currently measured. A 2015 goal.
Aspect	Biodiversity	52–57	Reported	
EN11	Land in/adjacent to protected areas	52–53	Partial Response	EN11 reporting has been significantly expanded with this report but we do not report on the size of land area. We intend to report fully by 2014.
EN12	Biodiversity impacts	54	Reported	
EN13	Habitats protected or restored	54–55	Reported	
EN14	Strategies/plans related to biodiversity	56	Reported	
EN15	IUCN Red List species in areas affected	57	Reported	
Aspect	Emissions, effluents and waste	58–61	Reported	
EN16	Direct and indirect greenhouse gas emissions	58	Reported	
EN17	Other relevant indirect GHG emissions	58	Partial Response	The indirect GHG emissions related to inbound shipment of raw materials is not available. We plan to report this by 2013.
EN18	Initiatives to reduce GHG emissions	59	Reported	
EN19	Emissions of ozone-depleting substances	59	Reported	
EN20	NO _x , SO _x , and other air emissions	59–60	Reported	
EN21	Water discharge	60	Partial Response	Information is not available to provide a complete answer. Metering is not comprehensively used to measure discharge. We plan to improve our EN21 reporting by 2013.
EN22	Weight of waste	60–61	Reported	
EN23	Significant spills	61	Reported	
EN24	Waste deemed hazardous under the terms of the Basel Convention	61	Reported	
EN25	Biodiversity value of water bodies and related habitats	61	Not Available	Information is not collected at this time. We plan to report this by 2013.
Aspect	Products and Services	62	Reported	
EN26	Initiatives to mitigate environmental impacts	62	Reported	
EN27	Products and packaging materials reclaimed	62	Partial Response	This indicator is not material. See EN27.
Aspect	Compliance	62	Reported	
EN28	Significant fines and sanctions	62	Reported	
Aspect	Transport	63	Reported	
EN29	Transportation impacts	63	Reported	
Aspect	Overall	63	Reported	
EN30	Environmental protection expenditures	63	Reported	

Good Place to Work

Labor Practice Disclosure on Management Approach (Page No. 64–77)

Item	Description	Page No.	Reporting Level	Comment
Aspect	Employment	67–68	Reported	
LA1	Workforce by employment type	67	Reported	
LA2	Employee turnover	67	Partially Reported	Attrition is reported by years of service rather than by age. This provides a similar indicator consistent with Company approach. Data by age is not applicable and we plan to continue to report based on years of service. Details about new employee statistics are not provided and has been identified as an element for future reporting.
LA3	Benefits provided only to full-time employees	68	Reported	
LA15	Return to work and retention rates after parental leave, by gender	68	Reported	
Aspect	Labor / management relations	68	Reported	
LA4	Employees covered by collective bargaining	68	Reported	
LA5	Minimum notice period(s)	68	Reported	
Aspect	Occupational health and safety	69–71		
LA6	Workforce represented in health and safety committees	69	Reported	
LA7	Rates of injury and number of work-related fatalities	69–70	Partially Reported	Reporting absenteeism is not material because expectations about attendance are clear and sufficient.
LA8	Education programs for workforce and others	71	Reported	
LA9	Health and safety topics covered in union agreements	71	Not Reported	This is not applicable because all employees are covered by our safety processes and culture.
Aspect	Training and education	72–73	Reported	
LA10	Training per year per employee	72	Reported	
LA11	Programs for skills and lifelong learning	73	Reported	
LA12	Employees receiving development reviews	73	Reported	
Aspect	Diversity and equal opportunity	74–77	Reported	
LA13	Composition ... breakdown per category	74–77	Reported	
Aspect	Equal remuneration for women and men	77	Reported	
LA14	Ratio of salary of men to women	77	Reported	



Human Rights

Human Rights Disclosure on Management Approach (Page No. 78–83)

Item	Description	Page No.	Reporting Level	Comment
Aspect	Investment and procurement practices	80	Reported	
HR1	Investment agreements with human rights clauses	80	Reported	
HR2	Screening suppliers and contractors on human rights	80	Reported	
HR3	Training on aspects of human rights	80	Reported	
Aspect	Non-discrimination	81	Reported	
HR4	Incidents of discrimination and actions taken	81	Reported	
Aspect	Freedom of association and collective bargaining	82	Reported	
HR5	Right to exercise freedom of association	82	Reported	
Aspect	Child labor	82	Reported	
HR6	Incidents of child labor	82	Reported	
Aspect	Prevention of forced and compulsory labor	83	Reported	
HR7	Risk for incidents of forced labor	83	Reported	
Aspect	Security practices	83	Reported	
HR8	Security training – human rights policies	83	Reported	
Aspect	Indigenous rights	83	Reported	
HR9	Violations involving rights of indigenous people	83	Reported	
Aspect	Assessment	83	Reported	
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments	83	Reported	
Aspect	Remediation	83	Reported	
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms	83	Reported	

Society

Society Disclosure on Management Approach (Page No. 84–93)

Item	Description	Page No.	Reporting Level	Comment
Aspect	Local communities	88–89	Reported	
S01	Programs to assess impacts on communities	88	Reported	
S09	Operations with significant potential or actual negative impacts on local communities	89	Reported	
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities	89	Reported	
Aspect	Corruption	90	Reported	
S02	Units analyzed for risks related to corruption	90	Reported	Dow assesses and manages risk issues through a regional approach. All business units are within the management scope.
S03	Training about anti-corruption policies	90	Reported	
S04	Actions in response to incidents of corruption	90	Reported	
Aspect	Public policy	91–92	Reported	
S05	Public policy positions and lobbying	91–92	Reported	
S06	Value of contributions to political parties	92	Reported	
Aspect	Anti-competitive behavior	93	Reported	
S07	Total number of legal actions	93	Reported	
Aspect	Compliance	93	Reported	
S08	Fines and sanctions for non-compliance	93	Reported	



Product Stewardship

Product Responsibility Disclosure on Management Approach (Page No. 94–99)

Item	Description	Page No.	Reporting Level	Comment
Aspect	Customer health and safety	97	Reported	
PR1	Assessment of health and safety impacts	97	Reported	
PR2	Non-compliance with regulations and codes during life cycle	97	Reported	
Aspect	Product and service labeling	98	Reported	
PR3	Information required by procedures	98	Reported	
PR4	Incidents of labeling non-compliance	98	Not Available	The information is not aggregated at this time. We plan to report on PR4 by 2014.
PR5	Practices related to customer satisfaction	98	Reported	
Aspect	Marketing communications	99	Reported	
PR6	Marketing and adherence to laws and standards	99	Reported	
PR7	Incidents of non-compliance with marketing related regulations	99	Reported	
Aspect	Customer Privacy	99	Reported	
PR8	Customer privacy and data	99	Reported	
Aspect	Compliance	99	Reported	
PR9	Non-compliance with regulations for use of products	99	Reported	



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