

Sustainability 2014



Science for Human Progress

Dow Achieves Sustainability Milestone with "Breakthrough to World Challenges"

Dow Delivers Transportation Solutions that Enable Sustainability

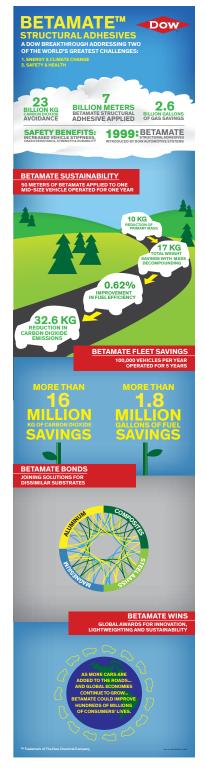
BETAMATE™ Structural Adhesives have been named Dow's third "Breakthrough to World Challenge," meeting a milestone set by the Company as part of its 2015 Sustainability Goals. A recent recipient of a 2014 R&D 100 Award and two 2014 Automotive News PACE Awards, BETAMATE™ Structural Adhesives are used to bond the body structure of automobiles during assembly, which enables improved vehicle safety and durability while optimizing weight reduction and providing greater design flexibility.

BETAMATE™ Structural Adhesives allow for the assembly of dissimilar materials where traditional joining techniques such as welding and riveting are limited in their applicability. Structural adhesives also enable increased load-bearing capability and improved static and dynamic stiffness, leading to improved safety and crash behavior, reduced vibrations and noise, optimized ride, excellent driving and handling, and enhanced durability for extended vehicle life span and long-term value. Since their introduction in 1999, BETAMATE™ Adhesives have already contributed to an estimated 23 million metric tons of CO₂ emission avoidance and 10 billion liters of gasoline savings.

With this "Breakthrough," Dow delivers on a target established in 2006 as part of its 2015 Sustainability Goals, an aggressive set of 10-year targets that seeks to improve sustainability in seven core areas: Sustainable Chemistry; Addressing Climate Change; Energy Efficiency and Conservation; Product Safety Leadership; Contributing to Community Success; Local Protection of Human Health and the Environment; and Breakthroughs to World Challenges. The latter commitment identifies products and technologies that deliver significant contributions to society over time.

To be selected, each of Dow's Breakthrough technologies were subjected to a rigorous evaluation process. The process evaluates many candidates in Dow's business portfolio against a variety of criteria, from positive impact on millions of human lives, to minimal environmental impact throughout the product's lifecycle.





Dow Helps Deliver Breakthrough Hygiene Solution

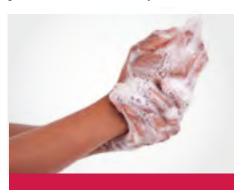


Handwashing with soap is a proven way to prevent the spread of life-threatening diseases, especially among children. In fact, nearly two million children under the age of five die each year from infectious diseases. Dow is highlighting its technology leadership through a research and development (R&D) collaboration on Lifebuoy™ Soap from Unilever, which is expected to deliver a positive impact on health and hygiene around the world. Due to its broad global impact on health and hygiene, Dow has named the technology as its fourth "Breakthrough to World Challenges." With this breakthrough, Dow exceeds the target established in 2006 as part of its 2015 Sustainability Goals.

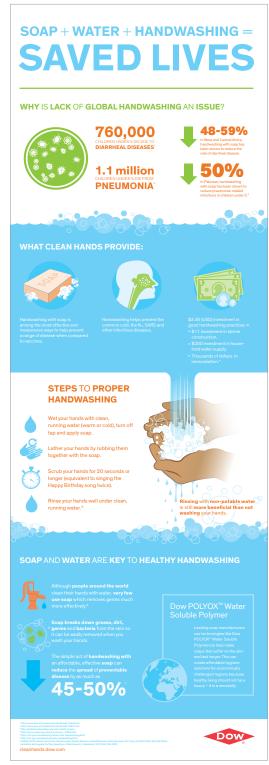
Lifebuoy™ Soap, the world's #1 germ protection soap, is formulated with POLYOX™ Water-Soluble Polymers from Dow, resulting in a soap that lasts longer, provides better value and feels great on your skin. Lifebuoy™ Soap equips more people with a first line of defense against illnesses through handwashing. By enabling a longer lasting and better quality bar of soap, POLYOX Polymers support Unilever's Sustainable Living Plan targets. Dow collaborated with the Unilever R&D team on controlled release technology to design a bar of soap formulated to stay intact while releasing ingredients slowly and at the right time.

Global Handwashing Day is dedicated to raising global awareness of the importance of handwashing with soap and water. Dow joined forces with the Global Public-Private Partnership for Handwashing with Soap to promote this simple, healthy practice on an international scale. The campaign was initiated to reduce childhood mortality rates related to respiratory and diarrheal diseases by introducing a simple lifestyle change. Every year, 1.7 million children die before the age of five as a result of diarrhea and pneumonia. With regular handwashing, the mortality rate from preventable diseases can be reduced by nearly 50 percent. Handwashing with soap is among the most effective and inexpensive ways to stop the spread of preventable diseases, which can save lives – cutting deaths from diarrhea by almost one-half and deaths from acute respiratory infections by nearly one-quarter.

Dow's "Breakthrough to World Challenges" commitment identifies products and technologies that deliver significant contributions to societal challenges over time. To be selected, breakthrough technologies are subjected to a rigorous evaluation process that measures many candidates in Dow's business portfolio against a variety



of criteria, from positive impact on millions of human lives, to minimal environmental impact throughout the product's lifecycle. Dow's previously announced breakthroughs include Omega-9 Oils, DOW FILMTEC™ ECO Reverse Osmosis Elements and BETAMATE™ Structural Adhesives. For more information, visit www.cleanhands.dow.com.



Combining the power of science and technology to passionately innovate what is essential to human progress.



Dow attains an external verification

Dow is fully committed to transparency and accountability. Transparent, in depth reporting assures that the public, as well as the entire Dow enterprise, is aware of the Company's goals and priorities. This is one of the reasons this report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines. The report is based on the GRI G4 Guidelines 'in accordance' with comprehensive option which means that this report covers all the General Standard Disclosures of the G4 Sustainability Reporting Guidelines and all the Sustainability Aspects we have identified as material to the Company.

For this report, the GRI Content Index Service is conducted. The GRI Content Index Service helps improve the accuracy and usability of the GRI Content Index and ensures its alignment with G4. This service confirms that the GRI Content Index is accurate, and that all included disclosures are labeled correctly in the report itself.

The Content Index Service Icon is included on the first page of the GRI Content Index on page 162.

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 2014: This 14-page summary is a convenient way to learn more about Dow and its commitment to sustain-ability. Download this PDF for a quick read on what happened at the Company in 2014. Please consider the environment and only print the pages that you will need offline.

GRI Content Index: At the end of this report is a detailed index of GRI G4 nomenclature with hyperlinks by item that will help you navigate to your topic of interest.

Additional Topic: As Dow continues to enhance our strategy and reporting, we develop and disclose additional topics to address issues not directly covered by the GRI G4 framework.

Embedded Links: Relevant detail about various topics can be found using links throughout the report.

Side Stories: This year's side stories feature the 2014
Responsible Care® Award winning teams. The Responsible Care®
Award recognizes projects that promote Dow's sustainable future and prevent and eliminate illness, injury, adverse environmental and health impacts, wastes and emissions.

About Our Cover



Dow has surpassed the target for "Breakthroughs to World Challenges" that we established in 2006 as part of our 2015 Sustainability Goals. Dow's "Breakthrough to World Challenges" commitment identifies products and technologies that deliver significant contributions to solving societal challenges over time.

The cover stories feature two Breakthroughs announced in 2014. DOW POLYOX™ Water-Soluble Polymers used in Lifebuoy™ Soap from Unilever will deliver a positive impact on health and hygiene around the world. BETAMATE™ Structural Adhesives are an enabling technology for optimized steel structures and dissimilar material assembly. BETAMATE™ Structural Adhesives have already contributed to an estimated 23 million metric tons of CO₂ emission avoidance and 10 billion liters of gasoline savings.



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Introduction

For the 12th year, The Dow Chemical Company is pleased to provide its Global Reporting Initiative (GRI) Report. This document follows the GRI G4 framework, making information available on a range of environmental, social, and economic topics. This document also serves as Dow's UN Global Compact Communication on Progress for 2014. Other Company reporting that may be of interest to readers is available on dow.com includes:

- 2014 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, 2014 (Dow 2014 10-K) under Investors, Financial Information, SEC Filings
- 2015 Proxy Statement under Investors, Financial Information
- Quarterly Updates found under Company, Sustainability, Reporting Center





Q & 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, materiality, accuracy, timeliness, clarity and reliability. For more information, visit <u>GRI's website</u> or review 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 Dow's 2015 Sustainability Goals is also consistently communicated in our quarterly updates published on dow.com.

What are Dow's 2015 Sustainability Goals?

A 2014 year-end summary for each of our 2015 Sustainability Goals is found in the Summary of 2014. It is available as a separate PDF and also found on pages 10-18 within this document. The 2015 Sustainability Goals include:

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

Where can I find the information about Dow's 2025 Sustainability Goals?

In 2015, Dow announced a strategic set of commitments that seek to redefine the role of business in society. Dow's 2025 Sustainability Goals use a global lens to magnify the Company's impact around the world, driving unprecedented collaborations to develop a societal blueprint that will facilitate the transition to a sustainable planet and society. Through harnessing Dow's innovation strengths, global reach, and dedicated employee population, the Company has set bold and aggressive sustainability targets designed to develop breakthrough product innovations, positively impact the lives of 1 billion people, and deliver \$1 billion in cost savings or new cash flow for the Company by valuing nature in business decisions.

Due to the scope of Dow's 2014 Sustainability Report, we will not discuss our ambitious 2025 Sustainability Goals in detail. For more information about Dow's 2025 Sustainability Goals, please visit dow.com.

Why does Dow obtain assurance for its Sustainability Report?

Assurance results from engaging an external, independent organization to review the report and provide a statement with conclusions. This enables the reader to be confident that the assured content is accurate, addresses stakeholder interests, and follows the GRI reporting principles. In addition, GRI has provided the GRI Content Index Service which confirms that the GRI Content Index is accurate, and that all included disclosures are labeled correctly in the report itself.

How do you browse this document?

The electronic version of this report is enabled with links for easy browsing. Browse by index, section or materiality. Navigation bars are included on each page allowing you to jump to any section. Look for the following icon to browse by materiality.



What is the United Nations Global Compact (UNGC) Communication on Progress (COP)?

We use the annual Sustainability Report to convey our Communication on Progress (COP) for the UN Global Compact's 10 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 unglobal compact.org.

We value your interest in Dow's report and welcome questions, comments and improvement suggestions. We invite you to using the contact details below.

Han Zhang

(hzhang10@dow.com) 1- 989-636-3485 Sustainability Reporting



Around the world, we are using our science and innovation to advance human progress and grow value for Dow. Since 2006, Dow's 2015 Sustainability Goals have served as our guide – directing effort, resources and new ways of thinking that have enabled our Company to address pressing global challenges, while realizing financial, business and operational benefits from our sustainability efforts. The year 2014 marked best-ever performance on many of Dow's 2015 Sustainability Goals, some consistently achieving results better than the 2015 target itself. Integrating our 2015 Sustainability Goals into our market-driven strategy and our corporate processes has saved resources and supported the Company's actions to drive operational efficiency and growth.

Highlights

- The most meaningful achievement is **finishing 2014 with zero fatalities** the first time in five years.
- Dow's 2014 Environment, Health and Safety (EHS)
 performance achieved new records in multiple categories
 of Local Protection of Human, Health and Environment,
 including personal safety, loss of primary containment
 and severe motor vehicle accidents. We are nearing the
 ambitious 2015 performance targets on many metrics.
 In two areas in particular, we continue to beat 2015 targets,
 ahead of our 2015 deadline:
 - 10 Process Safety Incidents; surpassing the goal of 20 for the year 2015
 - 0.11 Severe Motor Vehicle Accident rate; beating the goal of 0.28 for the year 2015
- Dow reached its 2015 <u>Sustainable Chemistry</u> target of achieving 10 percent of sales from highly advantaged products, marking a significant improvement from the baseline performance of 1.7 percent in 2007.
- Dow signed the International Council of Chemical Association's (ICCA) revised <u>Responsible Care® Global</u> <u>Charter</u>, continuing Dow's commitment of ongoing improvement in health, safety and environmental performance.
- Dow has surpassed the target of "Breakthrough to World Challenges" as part of its 2015 Sustainability Goals. Dow's "Breakthrough to World Challenges" include: <u>Omega-9</u>
 <u>Oils</u>, DOW FILMTEC™ ECO Reverse Osmosis Elements, <u>BETAMATE™ Structural Adhesives</u>, and Lifebuoy™ Soap featuring POLYOX™ Water-Soluble Polymers.
- Five of Dow's market-focused solutions have been honored by *R&D Magazine* as part of its prestigious *R&D* 100 Awards. The five award recipients include: <u>BETAMATE™</u> 1630_

- Structural Adhesives; TRANSFORM® WG Insecticide and CLOSER™ SC Insecticide with ISOCLAST™ Active; TEQUATIC™ PLUS Fine Particle Filter; NEPTUNE™ Subsea Insulation System; and Garnet 2.0/TERAFORCE™ Resin Coated Sand Technology.
- Dow co-sponsored the "Energy Bag" pilot program for plastic waste. The Energy Bag pilot program was the firstof-its-kind pilot in the U.S. intended to divert non-recycled plastics from landfills and to optimize their resource efficiency.
- Dow has signed a long-term agreement with <u>a new wind</u> <u>farm</u> to become one of the largest industrial buyers of renewable energy. The wind farm will supply Dow's Freeport Texas Manufacturing facility with 200 MW of wind power annually, equivalent to the amount of electricity needed to power more than 55,000 homes.
- Forty exceptional master's and professional-degree students from nine University of Michigan schools and colleges were named Dow Sustainability Fellows. These graduate students become part of a growing collaborative community of scholars focused on interdisciplinary approaches to a broad array of sustainability challenges related to water, energy, transportation, built environment, climate change, food, health, and human behavior, among other topics.
- The collaboration between Dow and <u>The Nature Conservancy</u> demonstrates that protecting nature can be both a global business strategy and a company priority. We invite you to track our progress in the <u>2014 Dow/TNC Annual Progress Report.</u>
- Dow was honored by the Human Rights Campaign for achieving a 100-percent rating on its corporate equality index – a national benchmarking tool on corporate policies and practices related to lesbian, gay, bisexual, and transgender employees.

Strong 2015 Sustainability Goals Progress:

Goals	Progress	
Sustainable Chemistry	\$13 billion in revenue in 2014 from products highly advantaged by sustainable chemistry exceeds target by 2X	
Breakthroughs to World Challenges	Four Breakthroughs to World Challenges surpass the target	
Addressing Climate Change	320 million metric tons of greenhouse gas emissions reduced from our operations since 1990; signed 200 MW wind farm deal to power our Freeport Texas Manufacturing facility	
Energy Efficiency & Conservation	110 trillion BTUs of annual absolute energy reduction since 2005	
Product Safety Leadership	95% of Dow's revenue and 100% high priority chemicals are covered by Product Safety Assessments	
Contributing to Community Success	Average Community Acceptance Ratings for all Dow sites surveyed increased by 25% since 2005	
Local Protection of Human Health & the Environment	Since 2005, more than 1,300 fewer injuries and illnesses, 9,000 fewer spills, 340 fewer process safety incidents, 5 billion fewer tonne-miles of transporting hazardous materials, and 210 fewer Hazardous Material Transportation spills; more than 30% reduction of VOC, NOx and Priority Compounds emissions; more than 344 million pounds of by-product reused in manufacturing process	



Challenges

- Economic conditions around the world, and in certain industries in which the Company does business impact, sales prices and volume. As a result, market uncertainty or an economic downturn in the geographic areas or industries in which Dow sells its products could reduce demand for these products and result in decreased sales volume, which could have a negative impact on Dow's results of operations.
- While we have made substantial progress on energy savings and energy efficiency during the past decade, the Energy Intensity performance of the company has lagged behind our 2015 Goal due to the profile of Dow's operations and substantial capital required for improvements. It is clear that the 2015 Goal on Energy Intensity will not be achieved by 2015.
- Strong, coherent energy policy sets the foundation for helping countries overcome some of the world's most pressing challenges. Too often, one side of the debate focuses solely on fossil fuels, while the other focuses on renewables and alternatives. This is a false choice we need both. Meeting the world's need for clean, sustainable, affordable and abundant energy will require getting beyond partisanship and self-interest.
- Fair global trade policies help raise standards of living and increase consumer choice around the world. Free trade policies enable access to goods, services and technologies that grow domestic markets, particularly in emerging countries. Market access and fair treatment of investments facilitate access to feedstocks and enable further investment in manufacturing environments. Ultimately, this access brings growth, prosperity and product development to countries around the world.
- Dow is a company built on innovation. Education is the fundamental enabler of innovation in today's knowledge economy, and if we are to meet the challenge of preparing our youth for 21st Century jobs, we need a new generation of discoverers and innovators, scientists and engineers. Today, we face a growing gap in our ability to produce the thinkers and doers who will help our nation seize the opportunities that tomorrow will bring. To meet this challenge, Dow has created STEMtheGAP™—a growing and constantly-evolving series of initiatives to support and advance Science, Technology, Engineering and Math (STEM) education.

Year-end Update on 2015 Sustainability Goals

Sustainable Chemistry



Building on the increasing sustainability momentum in our businesses since 2007, in 2014 Dow delivered 22.4 percent (\$13 billion) of sales from products that are highly advantaged by <u>Sustainable Chemistry</u>. This result surpasses the aggressive 10 percent target by more than twofold, and represents the realization of sustainable chemistry efforts that have been accelerated over the last seven years under the 2015 Sustainable Chemistry goal. The Company's aggregate <u>Sustainable Chemistry Index</u> (SCI) increased from 20.4 to 25.0 since 2007. Across the Company,

2015 Goal

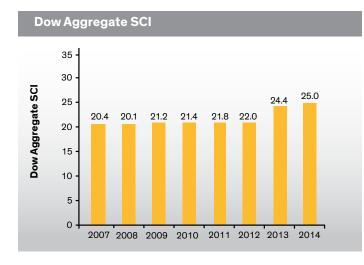
 Increase the percentage of sales to 10 percent for products that are Highly Advantaged by sustainable chemistry

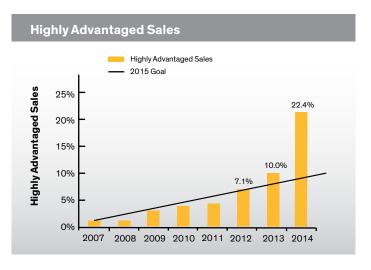
these solutions have brought sustainable chemistry to life, from improving manufacturing efficiency, to applications that enable energy efficiency, waste reduction and healthier food options. Dow measures its

percentage of sales "highly advantaged" by Sustainable Chemistry using the SCI. The index was developed as a tool for tracking the relative sustainability performance of its global product portfolio, and for generating product sustainability awareness and life cycle insights. Comprising a set of sustainability-related questions, the SCI spans the full cradle-to-grave product life cycle; addresses environmental, social, and economic benefits; and highlights sustainability opportunities and risks associated with Dow products.

Most of the 2013 highly advantaged products remained highly advantaged for 2014, and as a group their sales continue to grow. New highly advantaged sales were achieved due to improved manufacturing efficiency – including record environmental, health and safety performance and opportunities realized in agriculture, packaging, communication, infrastructure, energy, and personal care. These accomplishments reflect Dow's winning vision and strategy which drive value by solving challenges across the globe through our scientific expertise and working jointly with our customers to develop solutions that address today's global needs and improve productivity and operational excellence.

The SCI is a powerful tool for catalyzing sustainability awareness, encouraging sustainability-driven innovation, and highlighting sustainability risk, all of which inform business strategies. Applied annually to the entire Dow product portfolio since 2007, the SCI has enabled the generation of detailed sustainability insights and has provided a sustainability indicator that is helping to position the Company for success over the long term.







Breakthroughs to World Challenges 2015 Sustainability Goal Surpassed!

Dow has surpassed the <u>target</u> established in 2006 as part of its <u>2015 Sustainability</u> <u>Goals</u>. Dow's "Breakthrough to World Challenges" commitment identifies products and technologies that deliver significant contributions to societal challenges over time.

DOW POLYOX™ Water-Soluble Polymers

DOW POLYOX™ Water-Soluble Polymers used in Lifebuoy™ Soap from Unilever will deliver a positive impact on health and hygiene around the world. Lifebuoy™ Soap, the world's #1 germ protection soap, uses DOW POLYOX™ Polymers in its unique formulation, creating a soap that lasts longer, provides better value and yet still feels great on the skin.

BETAMATE™ Structural Adhesives

BETAMATE™ Structural Adhesives are an enabling technology for optimized steel structures and dissimilar material assembly, where traditional joining techniques such as welding and riveting are limited in their applicability. Since their introduction in 1999, BETAMATE™ Adhesives have already contributed to an estimated 23 million metric tons (MT) of CO₂ emission avoidance and 10 billion liters of gasoline savings.

DOW FILMTEC™ ECO Reverse Osmosis (RO) Elements

FILMTEC™ ECO RO Elements are a breakthrough in polymer

chemistry that surpasses the last three decades of incremental change in RO technology, representing some of the most advanced water purification science available in the fight against global water scarcity. Delivering 40 percent better purification with 30

2015 Goal

 Achieve at least three breakthroughs that will significantly help solve world challenges

percent less energy in industrial operations, Dow anticipates that as the new technology is adopted it will deliver trillions of metric tons of clean water, billions of kilowatt-hours (kWh) of energy savings, and reduce CO_2 emissions by more than a million metric tons in its first 10 years of use alone.

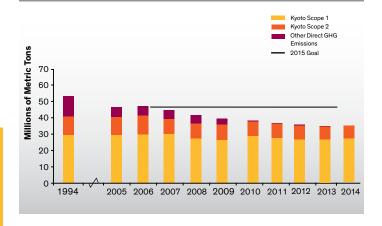
Omega-9 Oils

Omega-9 Oils play a critical role in enhancing nutrition and lifestyle. Nutrition experts correlate trans and saturated fats in diets as contributing to increased risk of heart disease and Type 2 diabetes. Derived from NEXERA™ Canola and Sunflower Seeds from Dow, Omega-9 Oils have zero trans fat and are among the lowest in saturated fat. Since 2005, the use of Omega-9 Oils has eliminated more than 1.5 billion pounds of trans and saturated fat from the North American diet.

Addressing Climate Change

Dow's goal for addressing climate change is to maintain greenhouse gas (GHG) emissions below 2006 levels on an absolute basis for all GHGs, thereby growing the Company without increasing our carbon footprint. While the revenue of the Company increased from \$49 billion in 2006 to \$58 billion in 2014, our GHG emissions were reduced from 47 million to 35 million metric tons per year, more than 12 million metric tons per year below 2006 levels. Dow's energy efficiency management efforts have significantly reduced the Company's GHG emissions footprint. As a result, Dow has prevented more than 320 million metric tons of GHG emissions from entering the atmosphere since 1990. We will continue to focus on managing Dow's footprint and providing solutions to reduce GHG emissions and save energy. For example, Dow's insulation products contribute to greater energy efficiency, helping avoid millions of metric tons of GHG emissions per year.

Absolute Greenhouse Gas Emissions as CO2 Equivalent



Dow is now regularly reporting on a target to increase the use of clean power to exceed 400 megawatts (MW) equivalents by 2025. At the end of 2014, Dow has approximately 266 MW that are either from low carbon or from renewable sources. Additionally, Dow has identified future prospects that could yield more than 200 megawatts of clean power. This goal is helping the Company pursue opportunities to incorporate economically-viable, clean-technology energy alternatives into its operations. Examples of projects that help increase Dow's clean power portfolio include:

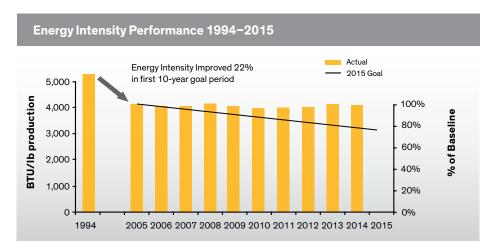
- Dow's Pittsburg, California, facility utilizes solar energy to supply a portion of the facility's power
- Electricity from captured landfill gas is being used as a partial source of power to Dow's Midland, Michigan, headquarters

 Dow joined forces with Energias Renováveis do Brasil to launch a pioneering project in the petrochemical industry: a cogeneration plant using energy based on eucalyptus biomass

Dow's Energy business has signed a long-term agreement with a new wind farm, currently under development in South Texas. The wind farm, to be complete in first quarter 2016, will span nearly 35,000 acres and will supply Dow's Freeport Texas Manufacturing facility with up to 200 MW of wind power. As a direct result, Dow is the first company in the U.S. to power a manufacturing site with renewable energy at this scale, and will become the third-largest corporate purchaser of wind energy in the United States. For more information about the wind farm, please see page 20.

Dow will continue to 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 is being 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 line of STYROFOAM™ insulation is seven times the GHG emissions involved in the manufacturing and construction phases of making homes and other applications more energy efficient.

Dow has reported to the Carbon Disclosure Project (CDP) since 2003. The CDP is a not-for-profit organization working to understand the risks and to drive GHG emissions reduction from business. In 2014, Dow reported on its 2013 GHG performance and commitment to providing solutions for the climate change challenge. The report scored 85 out of a possible 100 points. This excellent result highlighted



Dow's commitment to strong governance and complete disclosure through transparent emissions reporting.

More information about addressing Climate Change can be found in the Environmental Summary and in indicators EN15 – EN19.

Energy Efficiency and Conservation

2015 Goal

- Maintain absolute greenhouse gas emissions below 2006 levels
- Use 400 MW of clean energy by 2025

Related to Dow's absolute GHG metric added in the first quarter of 2012, Dow is developing a Net Impact Tracking Tool. This technique will sharpen Dow's focus on the full life-cycle benefits of Dow products. A sustainable energy future requires constant manufacturing efficiency improvement inside the 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 innovation engine is driving energy solutions that meet society's needs and provide a competitive advantage to Dow and Dow's customers.

Dow's efforts in Energy Efficiency and Conservation have significantly reduced the Company's energy consumption. The Company's manufacturing energy intensity, measured in BTU per pound of product, has improved approximately 39 percent since 1990, saving the Company more than 6,000 trillion BTUs. Dow's portfolio transformation, coupled with global economic conditions, has impacted the scale and speed of anticipated energy intensity reductions. Since 2005, annual absolute energy use has been reduced by 110 trillion BTUs. The Company's cumulative energy savings since 2005 is about \$412 million. Dow expects additional energy efficiency progress from ongoing projects that will see results after 2015. By 2015, Dow has a goal to achieve an additional 25 percent improvement. The average Energy Intensity of year 2005, adjusted for mergers and acquisitions, is the basis for calculating performance against

this target. Dow's goal for Energy Intensity for the full year of 2014 is 3,220 BTU/lb, or 77.5 percent of the value in 2005. Dow's actual performance in 2014 was 4,102 BTU/lb, which is 98.7 percent of the 2005 baseline.

For more information on this and other Dow Energy initiatives visit www.dow.com/energy

2015 Goal

 Reduce our energy intensity 25% by 2015 from a 2005 baseline

Product Safety Leadership

At the end of 2014, 579 Product Safety Assessments (PSAs) had been posted to Dow's product safety website.

Dow's published PSAs now cover products accounting for over 95 percent of Dow's revenue. Additionally, 100 percent of Dow's 185 High Priority chemicals are now covered by a PSA. Since the second quarter of 2014, the number of High-Priority Chemicals has decreased due to divestitures and the discontinuation of several High-Priority chemicals. We are on-track to meet our 2015 Goal to have a PSA publically available for applicable Dow products.

Third-Party Review of Product Safety Assessment Process

Dow committed, by 2015, to make publicly accessible safety assessments for its products globally, and in doing so address relevant gaps in hazard and exposure information. Dow continues to take appropriate action based on the assessments. Dow retained Risk Sciences International at the University of Ottawa in Canada (RSI), to evaluate the robustness of Dow's product safety assessment processes.

RSI focused primarily on two aspects of Dow's product safety decision making:

- The various business processes that support product safety decision-making
- 2. The organizational, technological and scientific capacity to meet Dow's 2015 Sustainability Goals

PSAs are written for the lay public and cover topics such as basic hazards, exposure potential and risk management measures. They complement other product safety, handling and stewardship documents, which are part of the product responsibility package offered by Dow to strengthen relationships with communities and customers. Dow is dedicated to providing the public with accurate information and building trust as it uses technology to develop better products, and this holistic approach enables Dow customers and the communities in which Dow does business to stay informed about the Company's products and the plants that produce them.

RSI found that Dow's product safety assessment process is generally sound. RSI concluded that Dow has world-class scientific expertise and the capacity to achieve excellence in product safety assessment, including state of the art practice in toxicology, exposure assessment

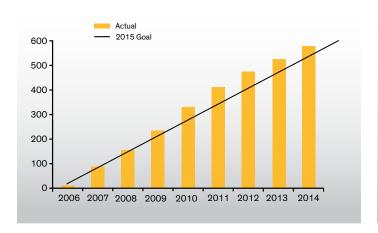
2015 Goal

 Publish Product Safety
 Assessments for all products by 2015

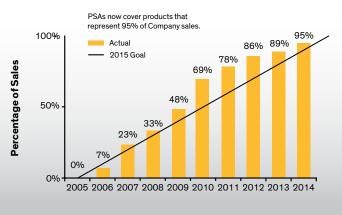
and risk characterization. RSI identified a few potential improvements, to enhance and ensure consistency in the quality of product safety assessments and decision-making across Dow's portfolio of products and their many uses.

In response, Dow has chartered several projects to evaluate and, as appropriate, address these recommendations. Many improvements are already being implemented. Dow is currently providing comprehensive cross-functional training on the improvements and systems to key employees in functions and businesses.

Cumulative Product Safety Assessments



Sales Covered by Assessments



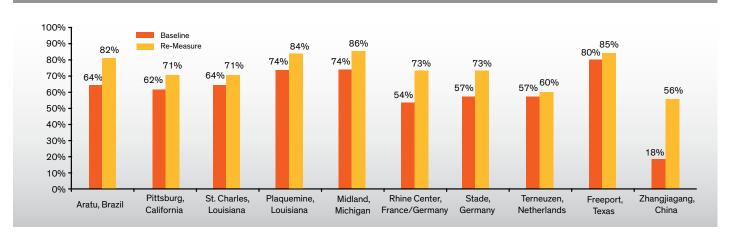
Community Success

Community outreach has been an essential element of operations at Dow since our founding in 1897. The Company's mission has always centered on being a good neighbor and a trusted partner, making sure we leave a positive impact on every community in which we operate.

Dow believes effective community engagement occurs through collaboration, conversation and transparency with stakeholders on many levels. We understand that our "rightful role" will be different in every community, and our activity should be based on solid data and well defined parameters. We encourage our partners to think of us as solution-oriented collaborators who work proudly with them side-by-side to identify and implement long-term solutions to community challenges.

In 2005, this mindset led us to design and implement our Contributing to Community Success process as part of our 2015 Sustainability Goals. Today, a decade after the global pilot program was first implemented, the results are in: average Community Acceptance Ratings for all Dow sites surveyed increased by 25 percent, signaling that Dow is truly recognized as playing a positive role in improving these communities. A deeper look at the process and results is as follows.

Community Acceptance Ratings





Achieve individual community acceptance ratings for 100% of Dow sites where we have a major presence



Local Protection of Human Health and the Environment



In our 10-year goal period from 2006 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 eight improvement goals, we have already achieved a performance superior to our target for the end of 2015.

Additional Local Protection of Human Health and the Environment metrics are reported starting on page 125 in the section describing Dow's approach to managing the environment.

2015 Goal

 Achieve on average a 75% improvement in key indicators for Environmental, Health & Safety operating excellence from a 2005 baseline

Key Performance Metric	2014	2013	Reduction over 2013	Comment
Process Safety Incidents	10	7	Increased	This is an increase from the seven incidents experienced in 2013, but remains significantly below the 2015 Goal of 20.
Severe Motor Vehicle Accident Rate (accidents per million miles)	0.11	0.14	-21%	Best-ever year, outperforms the 2015 Goal target of 0.28.
Injury/Illness Rate All Reportable Incidents (per 200,000 hours of work)	0.19	0.20	-5%	There were 178 people injured (Dow employees and contractors) in 2014, 10 fewer than the year before. The non-fatal Injury/Illness rate for average U.S. Manufacturing in 2013 was 4.0, which is 33 times higher than Dow's 2015 Goal of 0.12.
DAWC Days Away from Work Cases (per 200,000 hours of work)	0.046	0.050	-8%	2014 marks a year with zero fatalities for Dow. We reduced more serious incidents where the injury caused the employee to miss work by 6%.
Leaks of Hazardous Material (During Transportation)	36	25	Increased	When we started reporting on this goal in 2005, there were 56 annual events. Reduction improves safety and reduces the risk to the environment.
Nitrogen Oxides Emissions (metric tons)	17,111	18,304	-7%	NOx emissions were reduced 39% since 2005.
Volatile Organic Compounds Emissions (metric tons)	8,832	9,031	-2%	VOC emissions were reduced 37% since 2005.
Priority Compound Emissions (metric tons)	312	352	-11%	Priority Compounds emissions were reduced 55% since 2005.
By-Product Synergy (million pounds)	344	322	NA	We outperformed the 2015 Goal target to exceed 300 million pounds. The 2015 goal was met in 2011 (four years early), and by-product synergy continues to increase.

Find information about our ongoing implementation of the 2015 Sustainability Goals each quarter at our Reporting Center.

Dow's 2015 Sustainability Goals are managed by the Sustainability Program Management Office (PMO), providing annual updates on progress to the Sustainability Team and the Environment, Health, Safety and Technology (EHS&T) Committee of the Board of Directors. The Sustainability PMO reports to Neil Hawkins, Corporate Vice President and Chief Sustainability Officer.

Dow Co-Sponsors "Energy Bag" Pilot Program for Plastic Waste

Collaborative pilot program demonstrates a recycle-to-energy alternative that creates value from non-recycled plastic packaging



Every day, Americans generate over four pounds of waste per person. Despite the proliferation of recycling programs during the past three decades, more than half of all U.S. trash (135 million tons) still ends up in landfills.

Through a collaborative effort to explore an alternative for plastic waste, Dow co-sponsored the Energy Bag Pilot Program which demonstrated that certain plastics like juice pouches, candy wrappers and plastic dinnerware that are not easily recyclable under traditional models can be converted into synthetic crude oil for fuel.

The Program:

Dow, along with the Flexible Packaging Association, Republic Services, Agilyx, Reynolds Consumer Products and the city of Citrus Heights, California joined forces during 2014, to drive a collection pilot program intended to divert non-recycled plastics from landfills and to optimize their resource efficiency across the lifecycle. From June to August, approximately 26,000 households in Citrus Heights were provided with purple bags - known as "Energy Bags" - in which participants were asked to collect plastic items not currently eligible for mechanical recycling, so they could instead be diverted from the landfill and converted into energy. Collected items included juice pouches, candy wrappers, plastic pet food bags, frozen food bags, laundry pouches, and plastic dinnerware.

The purple Energy Bags were collected from homes during the community's regular bi-weekly recycling program, sorted at the recycling facility and sent to a plastics-toenergy plant. Using its patented thermal pyrolysis technology, which is complementary to current mechanical recycling programs, Agilyx converted the previously non-recycled plastics into high-value synthetic crude oil. The crude oil can be further refined and made into valuable products for everyday use such as gasoline, diesel fuel, jet fuel, fuel oil, lubricants, and can even be transformed back into plastic.

The Results:

Due to the commitment and support from the citizens of Citrus Heights, the results of the pilot show the potential for positive, long-term environmental results, including reduced landfill trash, more local energy resources and less fossil fuel energy dependence.

During the three-month program, there were six collection cycles, resulting in:

- Nearly 8,000 purple Energy Bags collected
- Approximately 6,000 pounds of typically non-recycled items diverted from landfills
- **512 gallons** of synthetic crude oil produced from the conversion
- 30 percent citizen participation
- **78 percent** of citizens said they would be likely to participate if given another chance



There are currently four commissioned commercial-scale pyrolysis plants operating in the U.S. with more planned, as well as numerous plants outside the U.S.

The pilot program proved that resource recovery of non-recycled plastics is a viable municipal process and brings us one step closer to reducing plastic waste by converting it to energy.

Learn more about the program and the impact it had on the Citrus Heights community by visiting our Energy Bag website.

- ¹ Environmental Protection Agency, http://www.epa.gov/epawaste/nonhaz/municipal/
- ² Environmental Protection Agency, http://www.epa.gov/epawaste/nonhaz/ municipalpubs/2012msw_fs.pdf

Dow to Become One of the Largest Industrial Buyers of Renewable Energy

Dow Accelerates Sustainability with New Wind Farm Agreement for Texas Facility

As a part of Dow's Energy Plan and its 2015 Sustainability Goals, Dow has taken another step towards reducing its own carbon "footprint." Marking milestone progress, Dow's Energy business has signed a long-term agreement with a new wind farm, currently under development in South Texas by a subsidiary of Bordas Wind Energy, LLC, a joint venture between MAP® and Enerverse, LLC. The wind farm, to be complete in first quarter 2016, will span nearly 35,000 acres, and will supply Dow's Freeport Texas Manufacturing facility with up to 200 megawatts (MW) of wind power, equivalent to the amount of electricity needed to power more than 55,000 homes.

As a direct result, Dow is the first company in the U.S. to power a manufacturing site with renewable energy at this scale, and will become the third largest corporate purchaser of wind energy in the United States. As one of the largest industrial energy consumers in the world, Dow has consistently been on the forefront of new energy technology improvements. Dow is on track to meet its 2025 renewable energy goal as part of its Sustainability Goal commitments.

"Dow is always looking for win-win solutions – good for the environment and good for business," said Jim Fitterling, vice chairman of business operations at Dow. "By entering into this agreement, Dow is taking a serious approach to our future energy needs in Texas and cost-competitive wind energy is a great opportunity."

"Adding large scale renewable energy to Dow's manufacturing process is just one smart move that we can make to secure a future of sustainability, growth, and long-term competitive advantage," said Seth Roberts, global business director of the Energy and Climate Change portfolio at Dow. "This decision also serves as a systemic hedge against both energy and power price volatility, while improving our overall carbon footprint." This new wind deal results from Dow's long-term COAT vision and strategy as outlined in the Dow Energy Plan, a four pillared, global approach to Energy and Sustainability:

- Conserve by aggressively pursuing energy efficiency and conservation.
- Optimize, increase and diversify domestic hydrocarbon
 resources
- Accelerate the development of cost effective clean energy alternatives.
- Transition to a Sustainable Energy Future.



As a business and sustainability leader, Dow recognizes that today's unprecedented challenges also represent a tremendous opportunity for those who dare to envision a different future. Under Dow's Sustainability Goals, Dow commits to continuing to reduce our own footprint, including securing 400 MW of clean power by 2025.

A significant percentage of the world's wind turbine blades are made using Dow materials and Dow innovations. For example, Dow AIRSTONETM Systems include epoxy and other thermoset systems for infusion, hand wet layup, tooling and adhesives. DOW ENDURANCETM family of insulation materials for medium voltage underground power cables have a history of close to 30 years in-ground service, and are developed to last for many years. DOW UCONTM GL-320 Lubricant is a next-generation gear lubricant developed specifically for demanding applications in wind turbines and other gearboxes.

Dow and the science of applied chemistry will continue to make a difference in how we enhance energy sources, optimize use and minimize energy losses. We are committed to making uncompromising products that will leave the environment better than we found it. To view the full spectrum of Dow's innovations which enable renewable energy, please visit our website.

Dow Launches 2025 Sustainability Goals to Help Redefine the Role of Business in Society

In 2015 Dow announced a strategic set of commitments designed to redefine the role of business in society. Dow's 2025 Sustainability Goals use a global lens to magnify the Company's impact around the world, driving unprecedented collaborations to develop a societal blueprint that will facilitate the transition to a sustainable planet and society. Through harnessing Dow's innovation strengths, global reach, and dedicated employee population, the Company has set bold and aggressive sustainability targets designed to develop breakthrough product innovations, positively impact the lives of 1 billion people, and deliver \$1 billion in cost savings or new cash flow for the Company by valuing nature in business decisions.

"At Dow, by combining the 'Human Element' with our passion for science – we constantly strive to deliver long-term value with sustainable, global solutions," said Andrew N. Liveris, Dow's chairman and chief executive officer. "Our 2025 Sustainability Goals will help redefine the role of business at its intersection with society. They will be our guide as we work to improve the well-being of humanity with solutions that are good for business and good for the world."

Dow's seven 2025 Sustainability Goals are as follows:

Goal 1: Leading the Blueprint – Dow leads in developing a societal blueprint that integrates public policy solutions, science and technology and value chain innovation to facilitate the transition to a sustainable planet and society. To develop the blueprint, Dow will engage in 100 significant dialogues across the public and private sector and establish 10 new collaborations. The initial blueprint will be published year-end 2017 and will be updated throughout the goal time frame, considering world progress towards sustainability and emerging challenges.

Goal 2: Delivering Breakthrough Innovations -

Dow delivers breakthrough sustainable chemistry innovations that advance the well-being of humanity. By 2025, Dow's product portfolio will have a six-fold net positive impact on sustainable development. Dow products will offset three times more carbon dioxide than they emit throughout their life cycle and save three times more energy than they use throughout their life cycle.

Goal 3: Advancing a Circular Economy – By 2025, Dow will work with other industry leaders, non-profit organizations and governments to deliver six major projects that facilitate the world's transition to a circular economy, where waste is designed into new products and services.

Goal 4: Valuing Nature – Dow applies a business decision process that values nature, which will deliver business value and natural capital value through projects that are good for the Company and good for ecosystems. Dow will generate \$1 billion by 2025 in the form of cost savings or new cash flow as measured by net present value, a measure of future cash flows discounted to the present day.

Goal 5: Increasing Confidence in Chemical Technology -

Dow increases confidence in the safe use of chemical technology through transparency, dialogue, unprecedented collaboration, research and the Company's actions. By 2025, Dow will work with non-profit, businesses and government partners to develop new, cutting-edge predictive modeling capabilities and integrate them into 100 percent of our new product assessments. We will also improve on the understanding of chemistry's potential and will develop and implement new predictive modeling capabilities.

Goal 6: Engaging Employees for Impact – Dow people worldwide directly apply their passion and expertise to advance the well-being of people and the planet. By 2025, Dow employees worldwide will apply their talents to positively impact the lives of 1 billion people. Dow employees will give 600,000 hours to support students and teachers in science, technology, engineering and math (STEM) education. Dow volunteers will complete 700 sustainability projects around the world.

Goal 7: World-Leading Operations Performance -

Dow maintains world-leading operations performance in natural resource efficiency, environment, health and safety. By 2025, Dow will reduce its freshwater intake intensity at key water stressed sites and its waste intensity footprint by 20 percent. It will also obtain 400 megawatts of power demand from renewable sources and strive to eliminate unplanned safety events.

Dow's 2025 Goals, the Company's third set of sustainability-related Goals since 1995, build upon our previous decade-long commitments. Dow's 2005 Environment, Health & Safety Goals resulted in \$5 billion in safety, waste, water and energy savings after a \$1 billion investment. Dow's 2015 Sustainability Goals provided more sustainable products and solutions addressing global challenges in food, energy, sustainable water supplies and improved personal health.

For more information, visit dow.com.

Awards and Recognitions during 2014

Dow consistently receives recognition from customers, industry trade groups, non-governmental organizations, government regulatory agencies and the news media for the Company's best practices and performance in sustainability and environmental, health and safety. The following awards are a sampling of the recognition earned by Dow in 2014.

1Q 2014

- Dow was named to Fast Company's annual Top 10 Most Innovative Companies in Energy for 2014, highlighting DOW POWERHOUSE™ Solar Shingles.
- Dow's Shanghai Research and Development (R&D) Center
 was honored as one of the "2013 Most Influential R&D
 Centers in China" by the Chinese edition of Scientific
 American, a leading science magazine and the oldest
 continuously published magazine in the U.S.
- Dow was named as a Caring Company by the Hong Kong Council of Social Service in recognition of our outstanding contributions in the areas of community success, sustainability, and employee welfare.
- Dow's Dongguan site received the Clean Production Enterprise Award from the Guangdong province government in China.
- Four Dow employees Mary Beth Heydrick, Shari Kennett, Jennifer Pfeiffer and Julie Thyne – were recognized by the STEP (Science, Technology, Engineering and Production) Awards by the Manufacturing Institute at a reception in Washington, D.C.
- Dow's site in Mozzanica, Italy, was recognized with an award for its initiatives to improve employee health and well being in the areas of quitting smoking, promoting physical activity and nutrition.
- Dow received the "Innovation Award" during a Partner's Day event organized by Samsung Electronics and Samsung Partners' Association.
- Diana Deese, Dow R&D analytical technologist, has been honored with this year's American Chemical Society National Chemical Technician Award.

2Q 2014

- Dow's Jaipur Foot Initiative received the prestigious 2014 da Vinci Award in the Prosthetics/Orthotics/Controls category.
- Dow received the AmCham Shanghai Corporate Social Responsibility Partnership Award for our success in working with Junior Achievement China to advance sustainability education in China.
- Dow AgroSciences has garnered recognition from key community partners for its outstanding commitment

- towards community success. Awards include the Indiana University-Purdue University Spirit of Philanthropy Award, United Way of Central Indiana's Top Contributor Award, United Way of Central Indiana's Spirit United Award, and Indiana Latino Scholarship Fund honoree for Dow AgroSciences Corporate Citizenship efforts in support of the Indianapolis Hispanic/Latino community.
- Led by Dow in partnership with Cannon Group companies, Afros, Crios, and Federchimica, the ENERG-ICE project was selected as one of the six "Best of the Best" Environment and Information projects in 2013 within the LIFE Environmental Program of the European Commission.
- DOW FILMTEC™ ECO Reverse Osmosis Elements was presented with the Bronze Edison Award for the product in the Energy/Sustainability and Commercial Resource Management category.
- Dow's recyclable Polyethylene (PE) Stand-Up Pouch received the prestigious Environmental Stewardship Award at the Global Plastics Environmental Conference.
- Dow Texas Operations was honored by the Texas Chemical Council with a Sustained Excellence in Caring for Texas Award.
- Dow Brazil was recognized in the Golden Category in the Einstein Awards for Corporate Health, an initiative created by the Center for Preventive Medicine at the Albert Einstein Hospital in São Paulo, Brazil.
- Dow was honored by the American Chemistry Council with two Responsible Care® Energy Efficiency Awards for innovative energy-efficiency projects at Deer Park, Texas, and Midland, Michigan, sites.
- Dow was recognized by the National Business Group on Health with its Best Employers for Healthy Lifestyles® Global Distinction Award in Emerging Markets for the company's global commitment to employee health and the results of employee health programming in China.
- Dow receives special recognition in the national Responsible Care® Award competition for the Company's "Summer Spike" safety program in the Netherlands.

 Dow's St. Charles Operations was recognized with an Award of Honor for outstanding safety performance by the South Louisiana Chapter of the National Safety Council.

3Q 2014

- Five of Dow's market-focused solutions: BETAMATE™
 1630 Structural Adhesives; TRANSFORM® WG Insecticide
 and CLOSER™ SC Insecticide with ISOCLAST™ Active;
 TEQUATIC™ PLUS Fine Particle Filter; NEPTUNE™
 Subsea Insulation System; and Garnet 2.0/TERAFORCE™
 Resin Coated Sand Technology, have been honored by
 R&D Magazine as part of its prestigious R&D 100 Awards.
- Dow Thailand won 2014 Asian CSR Award in the Environmental Excellence category for the "Dow Chemical for Sustainable Industry" program.
- Dow and Preferred Sands, LLC were recognized with the 2014 Polyurethane Innovation Award at the annual Center for Polyurethanes Industry (CPI) conference in Dallas, Texas.
- The National Safety Council named Dow's Cathy White as one of its Rising Stars of Safety in 2014.
- The American Industrial Hygiene Association selected Dow's Adam McLeland as one of only 35 young professionals to participate in its prestigious 2014 Future Leaders Institute.
- Dow was named for 14th time to Dow Jones Sustainability World Index — tying for the longeststanding representation in the chemical category since the list's inception.
- Dow was honored with the 2013 Supplier Excellence Award from Texas Instruments, which recognized the Company for its outstanding performance as a supplier of chemical mechanical planarization technologies and consumables.
- For the sixth consecutive year, Dow was the recipient of the 2013 TRANSCAER® National Achievement Award, a result of the Company's commitment to safety and security and for extraordinary support of the TRANSCAER® (Transportation Community Awareness and Emergency Response) principles.

4Q 2014

- Dow was recognized as a Top 100 Global Innovator by Thomson Reuters for the fourth consecutive year.
- Dow was recognized with the Best Open Innovator Award at Innovation 2014, one of the most renowned innovation conferences in Europe.
- Dr. Jaime Curtis-Fisk, Dr. Melinda Keefe and Dr. Beth Lorsbach were among 10 women honored with the Women Chemists Committee of the American Chemical Society's 2015 Rising Star Award.
- Dow has been honored with the "2014 Innovative Company in China" award by the China Petroleum and Chemical Industry Federation and China Chemical Industry News, a leading industry newspaper.
- Dow won the China Sustainable Package Technology
 Award for PacXpert™ Technology at the 5th annual China
 Packaging Innovation and Sustainability Forum held in
 Xiamen, Fujian Province, China.
- For the fourth consecutive year, Dow was chosen by Guia Exame de Sustentabilidade (Sustainability Assessment Guide) as one of the most sustainable companies in Brazil.
- Dr. Cheryl Teich, Engineering Solutions' Reaction
 Engineering Expertise Area Leader, was elected president
 of the American Institute of Chemical Engineers
 (AIChE), and Dr. Alan Nelson, global R&D director for
 Performance Monomers, will join her on the AIChE
 board of directors.
- Erica Ocampo, sustainability manager for Dow Packaging & Specialty Plastics, was selected as one of 13 winners in the 2014 Leadership Development Challenge hosted by the Corporate Eco Forum of which Dow is a corporate member.
- Dow was honored by the Human Rights Campaign for achieving a 100 percent rating on its corporate equality index – a national benchmarking tool on corporate policies and practices related to lesbian, gay, bisexual, and transgender employees.
- Dow Thailand received the silver-level 2014 Corporate Social Responsibility Excellence Recognition Award from the American Chamber of Commerce in Thailand for the fourth consecutive year.

More information is provided in the <u>Awards and</u> <u>Recognitions</u> section on <u>dow.com</u>



Strategy and Analysis



Even in today's volatile and uncertain environment, doing well by doing good is possible, especially if you set bold and ambitious goals and create a culture that carries them forward. Dow has done this very visibly over the past 20 years, regularly reporting on progress.

We have proven that when we focus our people on delivering in the long run, we are able to overcome the short-term challenges that arise even as we continue to transform our company. This effort has aligned with Dow's "north star" - our vision – to maximize long-term value for all of our stakeholders by developing sustainable solutions to address pressing global needs.

Since 1995, Dow has saved more than \$6 billion from investments in sustainability - a number that continues to grow. Our goals have led us to meaningful changes in culture and behavior as well as successes through innovation and collaboration – not just within our company but with our customers and our communities.

Through two sets of decade-long sustainability goals, Dow has continued to incorporate sustainability into our DNA – into the very fabric of our business strategy. Our 2005 targets drastically reduced our company's "footprint" through aggressive waste, water use and energy reduction targets.

In this report, we celebrate a number of milestones that demonstrate our success in reaching our 2015 goals, with one year yet to go. We have continued to reduce our "footprint" while focusing on our "handprint", the global sustainability multiplier effect of our products and solutions. We have considered our products' lifecycles, further improved efficiency and unlocked chemistry as the world's indispensable toolbox for society's use. As global challenges become more urgent and complex, demand for Dow's breakthrough solutions will only increase.

This year, Dow launched the next phase of our ambitious sustainability journey, our 2025 Sustainability Goals. In essence, these targets will incorporate the value of nature and society into all of our economic decisions. They will integrate sustainability and its full definition into everything we do.

To accomplish this, all of us at Dow are challenging ourselves to think beyond our operations ("footprint") and the impact of our products ("handprint"). With society facing unprecedented challenges, we must leverage our breadth and depth of scientific knowledge to provide solutions at the intersection of business, government and society and deliver a "blueprint" for change.

In this report, you will discover Dow's renewed commitment to the 10 principles of the United Nations Global Compact. You will also find the steps we are taking - within our own operations and through our solutions - and highlights of our progress along the way.

Dow's vision leads us to continue to deliver long-term value to society as a whole while earning the right to operate on this planet. But we realize that no one company or sector can accomplish global sustainable development alone. New levels of collaboration - often with seemingly unlikely partners - are required to drive change.

Two decades into our sustainability journey, we know that capitalism can do more to make a positive difference for all of the world's 7 billion people – not to mention the 2 billion more on their way by 2050. We hope you will join us in achieving this sustainable future.

Andrew N. Liveris Chairman and Chief Executive Officer The Dow Chemical Company

Letter from the CSO

As a company, we have come a long way in our sustainability journey. After two decades of continuous progress, we have significantly improved our impact on the planet.

We have learned a lot throughout this journey. When we launched our first set of sustainability goals in 1995, we had much improvement to make – looking ourselves in the mirror and being honest about the steps required to reduce our energy and water use, cut down on waste and embed a culture of safety across our organization. But we delivered: our aggressive actions in these areas delivered \$5 billion from a \$1 billion investment and were priceless in preventing thousands of injuries. As we moved forward, we realized we could have a much broader impact outside our fenceline, so we expanded our focus to the positive impact our products and solutions could have on the world. Our results were substantial – generating \$6 billion in economic savings from our 2005 EH&S Goals and 2015 Sustainability Goals combined.

When I take a moment to look back throughout our journey, one clear theme emerges from everything we've learned: that sustainability is just good business. Integrating sustainability into our corporate DNA has driven value in three key ways:

- 1. Top-line growth. We have seen increasing interest in Dow's portfolio of innovative, more sustainable offerings.
- 2. Bottom-line growth. We have enhanced Dow's competitive advantage by both reducing costs and building our reputation as a sustainable brand and valued collaborator.
- Contribution to society. We have made a positive impact by helping address some of the most pressing global challenges, improving transparency in product safety, empowering our employees to give back to their communities around the world.

As we move forward into our next generation of sustainability at Dow, we look forward to continuing to expand our positive impact in a big way yet again – this time, seeking to redefine the role of business in society through our 2025 Sustainability Goals. To accomplish this, we will start by collaborating at the intersections of business, government and society, working to develop a blueprint for sustainable development around the world.

As you read through this year's annual sustainability report, I hope you are encouraged by all that you see. As our second GRI G4 Report, we have sought to share what is material to you, detailing our long-term vision for sustainability, the actionable and step-by-step goals we've taken to get there, the strong business and value connection we see now and moving forward, and – above all – demonstrating how sustainability is really built into our DNA.

Thank you for your interest in our sustainability journey, as we continue to track our progress to date. 2014 was an exciting year for us, and we are both excited and optimistic as we begin our next phase. As we seek to collaborate on a societal blueprint and take bold steps to make our world a better place, we hope you will join us as well. Here's to #Dow2025!

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Neil C. Hawkins, Sc.D. Corporate Vice President and Chief Sustainability Officer The Dow Chemical Company





Dow at a Glance

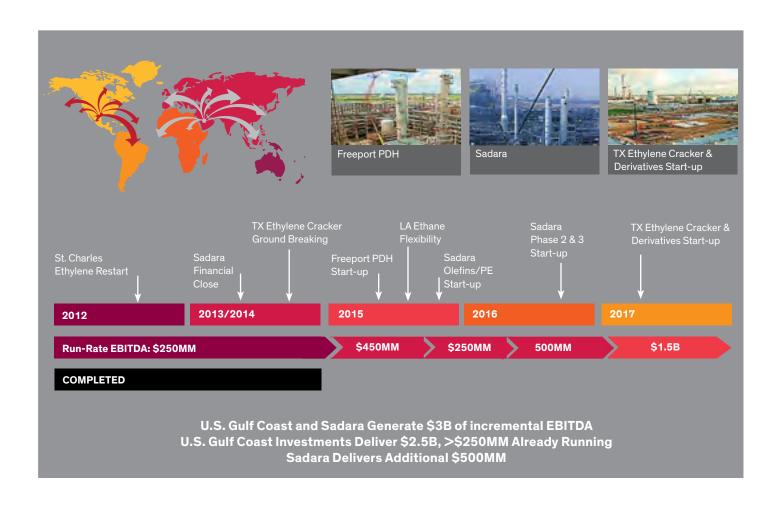
Dow combines the power of science and technology to passionately innovate what is essential to human progress. The Company is driving innovations that extract value from the intersection of chemical, physical and biological sciences to help address many of the world's most challenging problems such as the need for clean water, clean energy generation and conservation, and increasing agricultural productivity. Dow's integrated, market-driven, industry-leading portfolio of specialty chemical, advanced materials, agrosciences and plastics businesses delivers a broad range of technologybased products and solutions to customers in approximately 180 countries and in high growth sectors such as packaging, electronics, water, coatings and agricultural. In 2014, Dow had annual sales of more than \$58 billion and employed approximately 53,000 people worldwide. The Company's more than 6,000 product families are manufactured at 201 sites in 35 countries across the globe.

Capitalizing on Our Growth Levers

Advantaged Low-Cost Position

Our investments in advantaged feedstocks in the Middle East and on the U.S. Gulf Coast are enabling Dow to capitalize on global growth opportunities and drive increased returns. In the Middle East, our Sadara joint venture enables a powerful position with access to high-growth geographic regions such as Asia Pacific and Africa for decades to come. In Texas and Louisiana, our U.S. Gulf Coast investments build on our physical and molecular integration to maximize margins across our franchise.

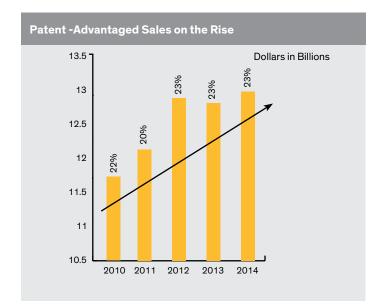
• On the U.S. Gulf Coast, our propane dehydrogenation (PDH) unit is on track to come on-line in mid-2015 and will begin providing bottom-line impact to our Infrastructure Solutions segment, as well as our Performance Materials & Chemicals segment. Our new 1.5 million metric tons worldscale ethylene production facility in Freeport remains on track for completion in early 2017.



Strategy & Profile

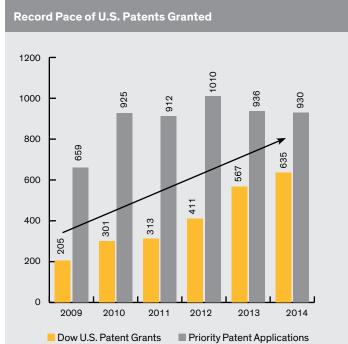
• Our Sadara joint venture, which will comprise 26 manufacturing units expected to produce more than 3 million metric tons of high-value performance plastics and chemical products, remains on track for a polyethylene train and related units to come on-line in the second half of 2015, with remaining units in 2016. Once fully operational, we expect to realize average annual equity earnings of \$500 million over the first 10 years after start-up.

All projects are on track to meet their start-up dates and capital budgets, and could add, in aggregate, more than \$3 billion to Dow's annual EBITDA.

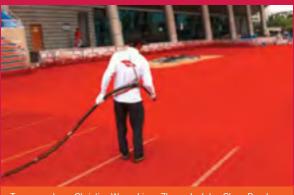


Leading Science and Technology Expertise

Dow's ability to innovate in a volatile economy is essential to our growth and future success. To drive returns, we are prioritizing our investment in high-value markets such as agriculture, electronics, automotive, energy and water. We also work closely with customers to develop differentiated, science-based solutions and to commercialize these technologies faster than our competitors.



2014 Responsible Care® Winning Team: Dow Eco-Friendly Waterborne Running Track Binder



Team members: Christina Wang, Liang Zhang, Jack Jun Chen, Derek Jiang, John Davis, Nicholas Ball, Darrell Boverhof, Patrick Cumberland, Vivian Fang, William Li, Haowen Xu, Lynn Pottenger, Yongchun Chen, and Mary Zou.

The team developed a new running track binder, which is based on waterborne acrylic technology modified by additives. This new



binder is free of TDI, has a low VOC content, and a low odor.

As a result, the human health and environmental profile is greatly improved, allowing our customers to offer the end users a differentiated running track system that also meets the high national code requirements.



Managing Sustainability at the Company

The Sustainability Team has been chartered by Andrew Liveris, President, Chief Executive Officer and Chairman of the Board, to work with Dow's business units, functions and geographies. Chaired by the Chief Sustainability Officer, the Sustainability Team is composed of several 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 Dow's Board of Directors to lead in oversight responsibilities for Dow performance in these critical areas.

The Company uses our 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 events, access to credit, effect of foreign currency exchange rate movements and volatility in purchased feedstock and energy costs. Risk management results are regularly communicated to the Chief Financial Officer with a formal annual review with the Board of Directors and the Audit Committee.

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

See the Dow 2014 10-K, PART I, Item 1A for a more complete discussion of Risk Factors.

Organizational Profile



The Dow Chemical Company



The Company conducts our worldwide operations through global businesses, which are reported in five operating segments:

Agricultural Sciences

The Agricultural Sciences segment is a global leader in providing crop protection and seed/plant biotechnology products and technologies, urban pest management solutions and healthy oils. The business invents, develops, manufactures and markets products for use in agricultural, industrial and commercial pest management, and food service. The segment has broad global reach with sales in 135 countries and research and development (R&D) and manufacturing facilities located in all geographic areas. Growth is achieved through the development of innovative new products and technologies, successful segmentation of market offerings with leading brands, diverse channels to market, competitive cost positions, strategic bolt-on acquisitions, and commercial and R&D collaborations. The Company is committed to the development of innovative new crop protection and biological products and technologies.

Consumer Solutions

The Consumer Solutions segment consists of three global businesses: Consumer Care, Dow Automotive Systems and Dow Electronic Materials. These global businesses develop and market customized materials using advanced technology and unique chemistries for specialty applications - including semiconductors and organic light-emitting diodes, adhesives and foams used by the transportation industry, and cellulosics for innovative pharmaceutical formulations and food solutions. These businesses serve the needs of market segments as diverse as: automotive; electronics and entertainment; healthcare and medical; and, personal and home care goods. The segment's commitment to continuous innovation and rapid new product development enables it to maximize opportunities in emerging geographies and highgrowth industries.

Infrastructure Solutions

The Infrastructure Solutions segment is comprised of an industry-leading portfolio of businesses utilizing advanced technology to deliver products such as architectural and industrial coating applications, building insulation, adhesives, microbial protection for the oil and gas industry, and water technologies. With unmatched R&D capabilities, a broad range of chemistries, extensive geographic reach and strong channels to market, this segment is well positioned to capitalize on market trends. The segment has broad geographic reach with sales in 145 countries and R&D and manufacturing facilities located in key geographic areas.

Performance Materials & Chemicals

The Performance Materials & Chemicals segment is comprised of five technology-driven, customer-centric global businesses that are advantaged through integration and driven by innovative technology and solutions: Chlor-Alkali and Vinyl, Chlorinated Organics, Epoxy, Industrial Solutions and Polyurethanes. Products produced by this segment are back-integrated into feedstocks, supporting a low-cost manufacturing base and consistent, reliable supply. The Performance Materials & Chemicals segment is positioned for growth through diverse markets and product offerings. The segment has broad geographic reach with sales in nearly 150 countries and manufacturing facilities located in all geographic areas. Performance Materials & Chemicals has a diverse product line that serves customers in a large number of industries including appliance, construction and industrial.

Performance Plastics

The Performance Plastics segment is the world's leading plastics franchise, and is a market-oriented portfolio composed of five global businesses: Dow Elastomers, Dow Electrical and Telecommunications, Dow Packaging and Specialty Plastics, Energy and Hydrocarbons. The segment is advantaged through its low cost position into key feedstocks and broad geographic reach, with sales in more than 110 countries and manufacturing facilities located in all geographic areas. It also benefits from Dow's R&D expertise to deliver leading-edge technology that provides a competitive benefit to customers in key strategic markets.

For a description of these operating segments and major products, see Dow 2014 10-K, PART I, Item 1.

For further product overviews, see the <u>Products section</u> of on dow.com.



Midland, Michigan, USA



Countries of operation (G4-6)

The Company operates 201 manufacturing sites in 35 countries. The Company's major production sites, including consolidated variable interest entities, are as follows:

COUNTRY	PROPERTIES
United States	Plaquemine and Hahnville (St. Charles), 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	Candeias
Thailand	Map Ta Phut

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

United States	73 manufacturing locations in 25 states
Canada	6 manufacturing locations in 3 provinces
Europe, Middle East, Africa and India	54 manufacturing locations in 18 countries
Latin America	28 manufacturing locations in 4 countries
Asia Pacific	40 manufacturing locations in 11 countries



Nature of ownership and legal form (G4-7)

Dow is a publicly traded company. Total common stock outstanding at January 31, 2015 was 1,157,695,055 shares.



Markets served (G4-8)

With more than 95 percent of manufactured products enabled by chemistry, world challenges will ultimately be solved by companies like Dow, who collaborate with customers, industries, governments, academia and civil society. Our innovation engine is focused on water purification, crop productivity, building efficiency, development and commercialization of carbon mitigation, alternative energy and many more solutions that improve lives while protecting the planet. We are as committed to minimizing our own footprint as we are to delivering technology that helps the rest of society do the same. In 2006, we established our second set of Sustainability Goals, which we report on publicly every quarter. Our commitment to sustainability is integral to our corporate vision, mission, and values – which continue to drive change that is good for the environment, good for people, and good for business.

Winning in today's volatile, global marketplace requires sound strategy and disciplined execution. Building on our strengths, we continue to accelerate our market-driven strategy — going narrower and deeper into strategically aligned end-markets, increasing productivity across our integrated value chains and maximizing the value of our investments.

In the fourth quarter of 2014, we announced new operating segments — reflecting our strategy to be low-cost and fully integrated in key value chains, while also enhancing transparency and supporting the Company's actions to drive higher margins through our narrowed and deepened market focus and technology.

Agricultural Sciences



Consumer Solutions



Total Sales \$7,290 (dollars in millions)

22%

Crop Protection 78%

- Total Sales \$4,639 (dollars in millions)

Consumer CareDow Automotive Systems25%

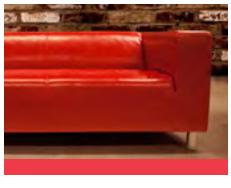
■ Dow Electronic Materials 46%

Infrastructure Solutions

Seeds



Performance Materials & Chemicals



Performance Plastics



(dollars in millions)	
Dow Building & Construction	21%
■ Dow Coating Materials	28%
■ Energy & Water Solutions	24%
■ Performance Monomers	27%

Total Sales \$15,114 _	
(dollars in millions)	
Chlor-Alkali and Vinyl	13%
Chlorinated Organics	2%
■ Ероху	12%
■ Industrial Solutions	32%
Polyurethanes	41%

_	Total Sales \$22,386			
•	(dollars in millions)			
	Dow Packaging and Specialty Plastics	56%		
	Dow Elastomers	7%		
	■ Dow Electrical and Telecommunications	4%		
	Hydrocarbons	31%		
	Energy	2%		



Scale of reporting organization (year-end 2014 data) (G4-9)

Personnel count was 53,216 at December 31, 2014, up from 52,731 at December 31, 2013. Headcount increased in 2014 as hiring to support the Company's growth initiatives more than offset declines due to the Company's 2012 Restructuring programs.

Net Sales - \$ 58,167 million

Total Capitalization

- Total Assets: \$68,796 million
- Total Debt: \$19,783 million
- Total Equity: \$23,354 million

"In Latin America, Dow is collaborating in new ways across value chains to unleash the region's potential in the development of solutions to global challenges that can benefit from our rich natural resources. One example of success is the development of an Integrated Crop-Livestock-Forestry System. The model improves productivity of the agricultural land by combining three sources of production, Crops, Livestock and Forest in a more sustainable form. The partnerships developed in the Food Chain event, carried out in 2014, with local research institutes, such as EMBRAPA, and farmers have made this possible."

- Pedro Suarez, President, Dow Latin America



Total workforce by employment type, employment contract, and region (G4-10)

Full and Part Time Employment, by gender, globally

	Total	Full Time	Part Time
Male	72.63%	70.47%	1.18%
Female	27.37%	26.56%	1.79%
Total	100.0%	97.03%	2.97%

Breakdown of Employees by Employment Contract:

	Total	Regular	Temporary
Male	72.63%	69.10%	2.55%
Female	27.37%	26.74%	1.61%
Total	100.00%	95.84%	4.16%

Breakdown of Total Employee Population by Region: See G4-9 for employees by geographic area and G4-LA12 for gender by region information.

North America Sales: \$21,422 Employees: ~25,000 Latin America Sales: \$7,939 Employees: ~5,000 Employees: ~5,000 Employees: ~5,000 Latin America Sales: \$7,939 Employees: ~5,000



Percentage of total employees covered by collective bargaining agreements (G4-11)

Twenty-seven percent of Dow's workforce was covered by either formal collective bargaining agreements or works councils in 2014. The majority of roles required to run Dow's business operations are not typically represented by labor organizations in the communities where Dow does business. See sections LA4 and LA16 for more information about collective bargaining agreements at Dow.



Dow's supply chain (G4-12)

The Company operates in an integrated manufacturing environment. Basic raw materials are processed through many stages to produce a number of products that are sold as finished goods at various points in those processes. The two major raw material streams that feed the integrated production of the Company's finished goods are chlorine-based and hydrocarbon-based raw materials.

Salt, natural brine and electricity are the base raw materials used in the production of chlor-alkali products and derivatives. Dow has annual non-hydrocarbon procurement needs of approximately \$20 billion globally. The Company purchases hydrocarbon raw materials including ethane, propane, butane, naphtha and condensate as feedstocks. These raw materials are used in the production of both saleable products and energy. The Company also purchases certain monomers, primarily ethylene and propylene to supplement internal production. The Company purchases natural gas, mainly to generate electricity, and purchases electric power to supplement internal generation. Expenditures for hydrocarbon feedstocks and energy accounted for approximately 38 percent of the Company's production costs and operating expenses for the year ended December 31, 2014. The Company purchases these raw materials on both short and long-term contracts.

Dow's diverse, industry-leading portfolio of businesses offers a broad range of technology-based products and solutions to customers in approximately 180 countries. Dow Purchasing collaborates with suppliers around the world to help our businesses meet their objectives for profitability, growth, innovation, diversity and sustainability.

Dow Purchasing looks for suppliers that:

- Demonstrate a commitment to reliable, high-quality supply relationships
- Have the capability to provide unique solutions, services and raw materials to support innovation

- Collaborate with Dow to drive competitive advantage and product performance through differentiation
- Align with Dow's supplier diversity strategy in the development of mutually beneficial business relationships with diverse suppliers who are globally competitive and provide lowest long term cost ownership
- Join Dow in efforts to set the standard for sustainability and embody highly responsible, ethical business practices, including sustainable labor practices.

Dow Purchasing is the conduit for suppliers to tap into significant opportunities. Our supplier expectations include:

- Global presence or local superiority to support strategic geographies and a broad variety of needs
- Consistency in supply, service, and quality, as well as participation in Responsible Care®
- Innovation
- Green alternatives

We have procurement centers around the world to establish effective relationships with global and local suppliers of goods and services. We work with our suppliers to pursue the principles of sustainability through Responsible Care®.

For more information, including our Expectations of Dow Suppliers and Suppliers Ethics, please visit www.dow.com/company/supplier/.



Significant changes during the reporting period (G4-13)

2014 Overview

Dow had a strong year in 2014 as financial discipline, increasing demand and execution against strategic initiatives created value for shareholders. The Company is driving proactive portfolio management and productivity actions, efficiently managing capital and investing for long-term growth.

Net sales for 2014 were \$58.2 billion, up 2 percent from \$57.1 billion in 2013, with volume up 2 percent and price flat. Sales increased in all operating segments. Excluding the impact of recent divestitures¹, sales increased in all geographic areas.

Volume increased 2 percent in 2014 compared with 2013, with gains in all operating segments, except Performance Plastics which remained flat, with notable increases in Agricultural Sciences and Consumer Solutions (both up 3 percent). Excluding the impact of recent divestitures, Performance Plastics volume was up 1 percent. Volume increased in all geographic areas, led by EMEAI (up 4 percent).

¹ Excludes sales of the Polypropylene Licensing and Catalysts business, divested on December 2, 2013 and sales related to Nippon Unicar Company Limited, divested on July 1, 2013.

Price was flat in 2014 compared with 2013, as increased selling prices were offset by the unfavorable impact of currency. Price increases in Performance Plastics (up 2 percent) were offset by price declines in Agricultural Sciences and Consumer Solutions (both down 1 percent). Infrastructure Solutions and Performance Materials & Chemicals price remained flat. Price increased in North America (up 2 percent) and Latin America (up 1 percent), which was offset by a decline in EMEAI (down 1 percent). Price in Asia Pacific remained flat.

In 2014, the Company recognized a pretax charge of \$50 million related to the impairment of intangible assets in the Dow Electronic Materials business, part of Consumer Solutions.

In 2014, the Company recorded a pretax charge of \$78 million related to an increase in the asbestos-related liability for pending and future claims, reflected in Corporate.

Dow's earnings from nonconsolidated affiliates totaled \$835 million, down from \$1,034 million in 2013. In 2014, equity earnings decreased primarily due to lower earnings at EQUATE Petrochemical Company K.S.C. ("EQUATE"), The Kuwait Styrene Company K.S.C. ("TKSC") and MEGlobal and increased losses at Sadara Chemical Company ("Sadara"), which were partially offset by increased earnings at Dow Corning Corporation ("Dow Corning"). Equity earnings were also impacted by a \$407 million gain related to Dow Corning's adjustment of its implant liability and a loss of \$500 million related to Dow Corning's abandonment of a polycrystalline silicon plant expansion.

The Company delivered \$6.5 billion of cash flows from operating activities in 2014 and ended the year with \$5.7 billion of cash and cash equivalents. Interest expense and amortization of debt discount declined \$118 million from 2013, reflecting the impact of the Company's 2013 deleveraging activities and lower debt financing costs.

On September 16, 2014, the Company issued \$2 billion of debt with 10-, 20- and 30-year maturities at low coupons.

On January 29, 2014, the Board of Directors announced an expansion of the Company's share buy-back authorization, authorizing an additional amount not to exceed \$3 billion to be spent on the repurchase of the Company's common stock over a period of time. As a result of this action, the share buy-back authorization increased to \$4.5 billion. On November 12, 2014, the Board of Directors announced a new \$5 billion tranche to its share buy-back program, with the repurchase of the Company's common stock timed to proceeds received from portfolio management actions and increases in operating cash flows. As a result of this action, the total authorized amount of the share repurchase program is \$9.5 billion. During 2014, the

Company repurchased \$4.2 billion of common stock under the share buy-back program.

On January 29, 2014, the Board of Directors announced the declaration of a quarterly dividend of \$0.37 per share, a 15 percent increase in the quarterly dividend. On November 12, 2014, the Board of Directors declared a 14 percent increase in the Company's dividend, from \$0.37 per share to \$0.42 per share. These actions demonstrate the Company's commitment to consistently and increasingly reward shareholders.

See additional information about changes in the Dow 2014 10-K, PART II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.



Whether and how the precautionary approach or principle is addressed by the organization (G4-14)

Dow supports a precautionary approach as set out in Principle 15 of the Rio Declaration on Environment and Development: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."

The Rio Declaration was amended at the Johannesburg summit to include health impacts, in addition to environmental impacts.

Dow believes that approaches should be risk-based and costeffective. Additionally, the selected chemicals management approach should be:

- proportional to the objective being pursued;
- provisional;
- the least burdensome option that provides adequate protection from the risk.

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.



Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses (G4-15)

Dow signed the United Nations (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.

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, worked 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 underscore the need for a national policy framework on climate protection.

Dow continues to participate in the Carbon Disclosure Project (CDP), where companies are graded for performance on corporate governance in respect to climate change and emissions disclosure. CDP's climate change program highlights global companies that, through voluntary efforts, are working towards reducing greenhouse gas emissions and mitigating climate change risk.

Delivering voluntary carbon mitigation in Russia

Please see page 18 in the Sustainability Overview for more information on this innovative program.

Leading the way to economically viable mitigation



United Nations Global Compact

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.

In November 2013, Dow participated in and sponsored the Caring For Climate Business Forum held during the UN Conference of the Parties (COP) 19 in Warsaw. Dow hosted third party experts to participate on discussion panels

focusing on energy efficiency and carbon mitigation. In addition, Dow's Climate Solutions Framework was launched as one of the key initiatives of the "Caring for Climate Action Hub" at the UN Meeting of the Parties to the Kyoto Protocol (CMP) conference event at the forum with broad recognition from private and public sector players from around the world. This framework sets out the guiding principles to enabling economically viable projects to deliver climate benefits for the mitigation of a specific footprint. In an effort to lead by example and catalyze collective action, Dow made the framework available for others to use.

Dow Commitment to Responsible Care® Management System

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 (RCMS). A key part of the RCMS 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. Dow presently works with Lloyd's Register Quality Assurance (LRQA) as the independent, accredited auditor(s), and we are currently in our fourth RCMS certification cycle, which extends from 2014 to 2016. During 2014, Dow's headquarters, activities were audited and found to be in conformance with the RCMS Technical Specification RC101.03.

Technical Specification RC101.03. Eight additional Dow sites will also be audited against this Technical Specification during the 2014-2016 re-certification cycle with each location receiving a Certificate of Conformance from LRQA.

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 decisionmaking 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 and Sustainable Development Principles. We recognize that the unique scientific, philosophical and ethical implications of biotechnology must be considered.

- 1. We will actively listen to and dialogue with stakeholders to understand their concerns and to help us progress responsibly.
- 2. 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.
- 3. 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 germplasm.
- 4. We will promote research on the potential benefits and safety of our biotechnology products and services for humans, animals, and the ecosystem.
- 5. 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.
- 6. We will apply our established corporate Environmental, Health & Safety Risk Review Process, which includes a thorough consideration of the impact on humans, animals, the environment, and society, throughout the lifecycle of all our biotechnology products and services and will take appropriate corrective actions.
- 7. 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.
- 8. We will support the conservation of biological diversity and the sustainable use of biological resources.
- 9. We will promote these principles throughout the industry and value chain.

GMO Answers

Dow AgroSciences, as a member of The Council for Biotechnology Information (CBI), supports the genetically modified organism (GMO) Answers initiative to make information about biotechnology in food and agriculture easier to access and understand. A key component of the GMO Answers initiative is a central online resource for information on genetically modified organism (GMO), their background, use in agriculture, and research data. Consumers can go to GMOAnswers.com and submit questions. Scientists, health and safety professionals, farmers, and other independent experts, including Dow AgroSciences representatives, provide answers. The members and partners of GMO Answers commit to five core principles:

- Respecting people around the world and their right to choose healthy food products that are best for themselves and their families:
- Welcoming and answering questions on all GMO topics;
- Making GMO information, research and data easy to access and evaluate and supporting safety testing of genetically modified (GM) products, including allowing independent safety testing of our products through validated sciencebased methods:
- Supporting farmers as they work to grow crops using precious resources more efficiently, with less impact on the environment and producing safe, nutritious food and feed
- Respecting farmers' rights to choose the seeds that are best for their farms, businesses and communities and providing seed choices that include non-GM seeds based on market demands.



Field to Market

Dow AgroSciences is a member of Field to Market®, an organization that brings together a diverse group of grower organizations; agribusinesses; food, fiber, restaurant and retail companies; conservation groups; universities; and agency partners to focus on promoting, defining and measuring the sustainability of food, fiber and fuel production.

Field to Market is working to meet the challenge of producing enough food, fiber and fuel for a rapidly growing population while conserving natural resources and improving the ability of future generations to meet their own needs. Field to Market's efforts are guided by the following goals:

- Land Use Sustained improvement of land use efficiency by increasing productivity on U.S. cropland, conserving native habitat, and enhancing landscape quality.
- Greenhouse Gases Sustained reduction in greenhouse gas emissions from U.S. cropland per unit of output.
- Water Quality Sustained contribution to solving regional water quality problems as evidenced by reductions in sediment, phosphorus, nitrogen, and pesticide loads from U.S. cropland.
- Soil Conservation Sustained reduction in soil erosion to tolerable levels or below on all U.S. cropland.
- Irrigation Water Use Sustained contribution to solving regional water scarcity problems through continual improvement in irrigation water use efficiency and conservation.
- Energy Use Sustained improvement in energy use efficiency from U.S. crop production

Responsible Sourcing: Conflict Minerals

Dow is committed to sourcing responsibly. In particular, Dow is committed to not knowingly purchase raw materials containing tin, tantalum, tungsten or gold (the "Conflict Minerals"), that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo and adjoining countries. Dow understands the important supporting role the business community plays in helping to increase supply chain transparency in the trade of Conflict Minerals.



Dow complies with applicable laws and regulations related to Conflict Minerals. To meet the U.S. Securities and Exchange Commission ("SEC") reporting requirements, Dow conducts an annual reasonable country of origin inquiry, and due diligence as appropriate, with regard to raw materials containing Conflict Minerals that are "necessary to the functionality or production" of products manufactured, or contracted to be manufactured, by Dow. <u>Click here</u> to view Dow's current Form SD filed with the SEC.

Dow also obligates its suppliers to comply with applicable laws and regulations related to Conflict Minerals, and to respond to Dow's annual reasonable country of origin inquiry, and due diligence as appropriate, with regard to raw materials that contain Conflict Minerals that are "necessary to the functionality or production" of products manufactured, or contracted to be manufactured, by Dow. <u>Click here</u> to view Dow's Supplier Code of Conduct.



Memberships in associations and/ or advocacy organizations (G4-16)

Dow takes an active role in many trade, business and industry associations throughout the world. Engagement with trade and business associations, whose purpose is to promote common business interests, assists us in managing priorities relevant to Dow and the chemical industry. Working through industry associations enables Dow to improve its own Environment, Health and Safety (EH&S) programs, as well as share its knowledge and expertise to improve the EH&S programs of other manufacturers. Dow has also developed partnerships with civic leagues and social welfare organizations that play an important role in public policy debates. These nongovernmental organizations sometimes engage in advocacy-related activities, as well.

All proposed memberships in and contributions to trade associations and civic organizations are reviewed by a Dow Government Affairs work group, and follow the same authorization process as for political spending activities.

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 for Competitive Taxation
- American Institute for Packaging and the Environment (AMERIPEN)
- American Chemistry Council (ACC)
- Biotechnology Industry Organization (BIO)
- Carbon Disclosure Project
- Chlorine Institute
- Corporate Eco Forum
- CropLife America
- Halogenated Solvents Industry Association
- International Council on Chemical Associations (ICCA)
- Louisiana Chemical Alliance
- Michigan Chamber of Commerce
- Michigan Manufacturers Association
- North American Insulation Manufacturers Association
- Responsible Industry for Sound Environment

- Solar Energy Industry Association
- Sustainable Packaging Coalition
- Texas Chemical Council
- The Sustainability Consortium
- United Nations Global Compact
- US Chamber of Commerce
- World Business Council for Sustainable Development (WBCSD)
- World Chlorine Council (WCC)
- World Resources Institute Corporate Consultative Group

For those trade associations and civic organizations to which Dow contributes \$50,000 or more annually, please visit our website.

Identified Material Aspects and Boundaries



Entities included in the organization's consolidated financial statements (G4-17)

Subsidiaries of the Company, for which the effective ownership by Dow is 50 percent or more, are listed in the Dow 2014 10-K in Exhibit 21. Exhibit 21 also includes nonconsolidated affiliates owned 50 percent by the Company. Information about joint ventures can be found in Strategy & Profile section, G4-20.



Process for determining report content (G4-18)

Materiality as defined in GRI Reporting Guidelines and used for this report includes those issues that reflect the organization's significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.

Fundamental processes

Two complementary processes merge 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 2015 Sustainability Goals. A critical element in the development of the 2015 Sustainability Goals has been a continuous dialogue with a wide range of stakeholders on the key components of the goals. This process began in 2003, when we developed a first draft of the goals using a "bottom-up" approach with a number of functional experts and resources within the company. We also sought guidance from a number of external stakeholders who shared common view of the overall sustainable development agenda with us, as well as their expertise in the specific areas under consideration for emphasis.

Since 1992, the Sustainability External Advisory Council (SEAC) has been a key contributor to Dow's outside-in perspective on environment, health and safety, and sustainability issues for the company. The SEAC played a critical role in developing our 2015 Sustainability Goals. The 2015 Sustainability Goals remain a focus for guiding our pursuit of being a more sustainable company. We will continue to collaborate with the SEAC and other key external stakeholders as we implement and track our performance toward the goals. Links on the Goals on the Materiality Map on page 41 go to more information located within this report.

The second process to determine materiality for this report is an annual Public Policy Issues Prioritization process. Through its Government Affairs, Public Policy, Regulatory Affairs and Issue Management teams, Dow's Issue & Policy Management Council drives alignment of global issue and policy management strategies and plans through clear priority setting, resource alignment and coordination of efforts.

Surveys

In 2013, Dow conducted an extensive stakeholder and corporate interview process to identify the issues that are the most important for stakeholders and most relevant for Dow. More than 300 one-on-one and small group interviews were conducted with people from around the globe. In addition, at each key Dow locations around the world, more than 500 telephone interviews at 10 Dow's major sites were conducted to understand and prioritize environmental, social and economic needs in the communities in which Dow has significant operations.

We also used these surveys for our current materiality assessment. For more information on these surveys, please review the Materiality Assessment section in our 2013 Sustainability Report.

Externality

To fully understand the impacts of material issues to our stakeholders and the society, the Company has started to explore indirect and unaccounted values associated with material issues.

For example, as highlighted by the Carbon Disclosure Project (CDP), Dow is one of the pioneer companies incorporating a carbon price into its business planning and risk management strategies, despite having no federal regulatory price on carbon in the U.S. The price of carbon is included in the Company's internal calculations used for prioritizing capital projects.

The results of the collaboration between Dow and The Nature Conservancy (TNC) on valuing ecosystem services are demonstrating that protecting nature can be both a global business strategy and a company priority. By combining the resources and expertise of two organizations, we are integrating the value of nature into Dow's business decision-making.

In 2014, as part of building Dow's 2025 Sustainability Goals, a series of scenario-based probabilistic analyses was performed to evaluate the direct/indirect value, intangible value and externality of Dow's activities. The approach is a natural extension of a method which was originally developed by Dow and several other companies, as well as the American Institute of Chemical Engineers (AIChE). The analyses show that Dow's sustainability activities will bring significant

values to Dow, from growing the top line and bottom line, to improving reputation, increasing human capital return, and improving resilience. The analyses also show that many external stakeholders will receive mutual benefits from Dow's sustainability activities, such as reducing environmental impacts, increasing ecosystem value, and improving quality of life.

Life cycle thinking

Each action taken to address the material issues will have broader and long term impacts in particular in upstream and downstream areas of the value chain that are beyond the Company's direct control. To truly understand the pros or cons of our decisions, we must weigh them against other options and measure impact over time. Life Cycle Assessment (LCA) is an excellent methodology for examining the total impact of a product or service. Rather than focusing on a single process, LCA takes a holistic view, examining impacts over the complete "cradle to grave" life cycle. A life cycle perspective helps to ensure that burdens are not unintentionally transferred from one life cycle phase to another during process improvement, and thus helps to prevent unintended consequences.

Dow applies life cycle thinking across the entire portfolio. For example, at Dow, before investments are allocated toward new product production, a team examines where raw materials will come from, where products may be sold, who else participates in the supply chain and what happens at the end of a product's life. This practice helps researchers evaluate the potential footprint of a product, compare it to alternatives and rank projects against key sustainability criteria, such as water and energy use and greenhouse gas emissions. We accomplish this by having a suite of tools and metrics that can be used as appropriate across the broad spectrum of Dow products. These include:

- (1) Full LCAs are conducted in Dow to both direct R&D and to support public disclosure of comparative assertions, following ISO 14040 and related standards.
- (2) Screening LCAs are done as a preliminary step in all full LCA and are conducted in Dow on many more projects to provide direction to business units and R&D groups.
- (3) As part of Dow's 2015 Sustainable Chemistry goal, Dow created and uses the broad "Sustainable Chemistry Index" (SCI) on all of Dow's sales.
- (4) The Dow Chemical Sustainability Footprint Tool[©], which is now publicly available to Dow customers, is used widely in Dow's business units.

For more information about our life cycle thinking approach, please see Environment section.

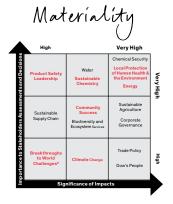
Having prioritized the material issues, accounted for the externalities, and applied life cycle thinking, materiality assessment at Dow becomes not only a process to decide the content of Dow's sustainability report, but also an important element for the Company to better incorporate sustainability into its strategy and leverage existing resources for sustainable value creation.

The results of the materiality assessment are presented in G4-19 Materiality map in the following section.



Materiality map (G4-19)

The results of the materiality assessment described in G4-18 are mapped out below. The y-axis maps the relative importance of the topics to our stakeholders, the x-axis shows the impacts of the topics from the company's internal perspective. Those topics with a high or very high importance to stakeholders or to the Company are presented in the map.



The seven goals represented by red font 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.

The table on the next page describes each material issue and how it links to the GRI G4 Aspects reported within this document. The table also includes additional topics to address material issues not covered by the G4 framework.

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

Strategy & Profile

Materiality	Description	Relevant G4 Aspects
Biodiversity and Ecosystem Services	Dow recognizes and appreciates the value of nature and the benefits it provides to business. Valuing nature in Dow's business decisions is good for business and good for the environment.	ENVIRONMENTAL CATEGORY Biodiversity ADDITIONAL TOPIC Valuing Nature
Community Success	Dow believes effective community engagement occurs through collaboration, conversation and transparency with stakeholders on many levels. We understand that our "rightful role" will be different in every community, and that our activity should be based on solid data and well defined parameters. As set forth in our 2015 Sustainability Goals, by 2015, 100% of Dow sites where we have a major presence will have achieved their individual community acceptance ratings.	ECONOMIC CATEGORY • Economic performance • Indirect Economic Impacts SOCIAL CATEGORY Society • Local Communities
Climate Change	As a world leader in chemistry, Dow is positioned to provide innovations that lead to energy alternatives and less carbon use. As set forth in our 2015 Sustainability Goals, we will maintain all greenhouse gas emissions below 2006 levels. By 2025, Dow will use 400 MW of clean energy.	ECONOMIC CATEGORY Economic Performance ENVIRONMENTAL CATEGORY Energy Water Emissions Product and Services Overall ADDITIONAL TOPIC Net Impact
Energy	Dow believes that providing humanity with a sustainable energy supply while addressing climate change is the most urgent environmental issue our society faces. Our 2015 Sustainability Goals include a goal to reduce our energy intensity 25% from a 2005 baseline.	ECONOMIC CATEGORY • Economic Performance ENVIRONMENTAL CATEGORY • Materials • Energy • Water • Emissions • Product and Services • Overall ADDITIONAL TOPIC • Net Impact
Sustainable Agriculture	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.	ECONOMIC CATEGORY • Economic Performance SOCIAL CATEGORY Society ADDITIONAL TOPIC • Social Benefits
Local Protection of Human Health and the Environment	Dow seeks to lead the way across virtually every facet of local protection of human health and the environment. As set forth in our 2015 Sustainability Goals, by 2015, Dow will achieve on average a 75% improvement of key indicators for EH&S operating excellence from the 2005 baseline.	ECONOMIC CATEGORY • Economic Performance ENVIRONMENTAL CATEGORY • Materials • Water • Emissions • Effluents and Waste • Compliance • Transport • Overall • Environmental Grievance Mechanisms SOCIAL CATEGORY Labor Practices and Decent Work • Occupational Health and Safety

Materiality	Description	Relevant G4 Prospects
Product Safety Leadership	For more than 75 years, Dow has had a program to assure that its products are safe for their intended use. As set forth in our 2015 Sustainability Goals, by 2015, Dow will publish product safety assessments for all products.	ENVIRONMENTAL CATEGORY Products and Services SOCIAL CATEGORY Product Responsibility Customer Health and Safety Product and Service Labeling Marketing Communications Compliance
Chemical Security	Dow will not compromise on our commitment to security and safety, nor will we concede our leadership position setting the standard for others to follow.	SOCIAL CATEGORY Society Public Policy
Water	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.	ENVIRONMENTAL CATEGORY • Energy • Water • Emissions • Effluents and Waste • Compliance • Transport • Overall • Environmental Grievance Mechanisms SOCIAL CATEGORY Society ADDITIONAL TOPIC • Water Solutions
Sustainable Supply Chain	With Dow's large global footprint, we recognize that we have a responsibility to manage our business sustainably and with integrity, helping to hold ourselves and our suppliers to high standards of behavior.	Procurement Practices ENVIRONMENTAL CATEGORY Supplier Environmental Assessment SOCIAL CATEGORY Labor Practices and Decent Work Supplier Assessment for Labor Practices Human Rights Supplier Human Rights Assessment Society Supplier Assessment for Impacts on Society
Sustainable Chemistry	Sustainable chemistry is our "cradle to cradle" concept that drives us to: use resources more efficiently, minimize our footprint, provide value to our customers and stakeholders, deliver solutions for customer needs, and enhance the quality of life of current and future generations. Dow has exceeded our 2015 target to increase the percentage of sales to 10 percent for products that are highly advantaged by sustainable chemistry.	ECONOMIC CATEGORY Economic Performance Procurement Practices ENVIRONMENTAL CATEGORY All G4 Aspects SOCIAL CATEGORY Labor Practices and Decent Work Supplier Assessment for Labor Practices Human Rights Supplier Human Rights Assessment Society Supplier Assessment for Impacts on Society Product Responsibility Customer Health and Safety Product and Service Labeling Marketing Communications Compliance ADDITIONAL TOPIC Sustainable Chemistry

Materiality	Description	Relevant G4 Aspects
Breakthroughs to World Challenges	Innovative solutions from Dow bring sustainable chemistry to life, from improving energy efficiency to applications targeting climate change, healthier food options, affordable housing, sustainable water supplies, and improved personal health and safety. Dow has exceeded our 2015 Goal by achieving four breakthroughs that will significantly help solve world challenges.	ECONOMIC CATEGORY Economic Performance Indirect Economic Impacts ENVIRONMENTAL CATEGORY Materials Energy Water Emissions Effluents and Waste ADDITIONAL TOPICS Social Value Research and Development
Trade Policy	Free and fair trade provides opportunities for all countries to increase their standard of living, expand consumer choice and improve access to education and job opportunities.	ECONOMIC CATEGORY • Economic Performance SOCIAL CATEGORY Society • Public Policy
Corporate Governance	At Dow, we believe our success depends on maintaining the highest ethical and moral standards everywhere we operate.	ECONOMIC CATEGORY • Economic Performance • Market Presence ENVIRONMENTAL CATEGORY • Compliance • Supplier Environmental Assessment • Environmental Grievance Mechanisms SOCIAL CATEGORY Labor Practices and Decent Work • Supplier Assessment for Labor Practices • Labor Practices Grievance Mechanisms Human Rights • Investment • Non-discrimination • Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor • Security Practices • Indigenous Rights • Assessment • Supplier Human Rights Assessment • Human Rights Grievance Mechanisms Society • Anti-corruption • Public Policy • Anti-competitive Behavior • Compliance • Supplier Assessment for Impacts on Society • Grievance Mechanisms for Impacts on Society • Grievance Mechanisms for Impacts on Society Product Responsibility • Product and Service Labeling • Marketing Communications • Customer Privacy
Dow's People	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.	ECONOMIC CATEGORY • Market Presence SOCIAL CATEGORY Labor Practices and Decent Work • Employment • Labor/Management Relations • Occupational Health and Safety • Training and Education • Diversity and Equal Opportunity • Equal Remuneration for Women and Men • Labor Practices Grievance Mechanisms Human Rights • Investment • Non-discrimination • Freedom of Association and Collective Bargaining • Child Labor • Forced or Compulsory Labor

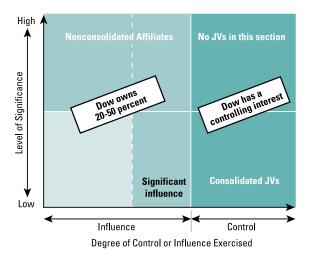
This report is targeted to multiple audiences. However, we anticipate that those with special sustainability interests will be most interested in the details of this report. At Dow, the process and publication of this document is a crucial building block to the rest of our sustainability communication 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 G4-24 for stakeholder identification.

All GRI G4 Aspects and Indicators are included in this report. At the end of report is a detailed index in GRI G4 nomenclature with hyperlinks by item that will help readers navigate to the Aspects and Indicators of interest.



As part of the materiality assessment, we identify where the impacts of material topics could occur within and outside of the Company along the value chain, including our suppliers, Dow's operation and transportation, distribution, our customers, and broader society.

Impacts of material topics within Dow occur throughout the entire Company. 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, 2014. 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. 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.



Dow's share of the earnings of nonconsolidated affiliates in 2014 was \$835 million, compared with \$1,034 million in 2013 and \$536 million in 2012. In 2014, equity earnings decreased primarily due to lower earnings at EQUATE, TKSC and MEGlobal and increased losses at Sadara, which were partially offset by increased earnings at Dow Corning.

Principal nonconsolidated affiliates

Dow had an ownership interest in 59 nonconsolidated affiliates at December 31, 2014 (63 at December 31, 2013). The Company's principal nonconsolidated affiliates at December 31, 2014 are as follow:

- Dow Corning Corporation
- EQUATE Petrochemical Company K.S.C.
- The Kuwait Olefins Company K.S.C.
- The Kuwait Styrene Company K.S.C.
- Map Ta Phut Olefins Company Limited
- MEGlobal
- Sadara Chemical Company
- The SCG-Dow Group
- Univation Technologies, LLC

Partner selection is critical, and Dow will work only with companies that have compatible business strategies, that are financially strong, and that 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

Subsidiaries of the Company for which effective ownership by Dow is 50 percent or more are listed in the Dow 2014 10-K in Exhibit 21. Further information on Dow's principal nonconsolidated affiliates is disclosed in Part II, Item 8. Financial Statements and Supplementary Data - Note 8 -Nonconsolidated Affiliates and Related Company Transactions in the Dow 2014 10-K.

Strategy & Profile

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:

- 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.

Impacts outside Dow occur through our relationship with our suppliers, our customers, and broader society.

			Outside Dow	
	Within Dow	Suppliers	Customers	Broader society
Sustainable Chemistry	M	I	I	I
Climate Change	M	I	I	1
Energy	M	Ī	I	T
Product Safety Leadership	M	I	I	М
Local Protection of Human Health & the Environment	M	ı	I	М
Community Success	M			М
Breakthroughs to World Challenges	M		I	M
Biodiversity and Ecosystem Services	M			I
Trade Policy	M	Ī		
Chemical Security	M	I	I	I
Sustainable Supply Chain	M	Ī	I	
Water	M	I	I	I
Sustainable Agriculture	M		Γ	T
Corporate Governance	M	I	I	I
Dow's People	M	Γ	I	I

M=Material; I=Important but not material



Aspect boundary outside the organization (G4-21)

See previous section for details related to aspect boundary outside the organization.



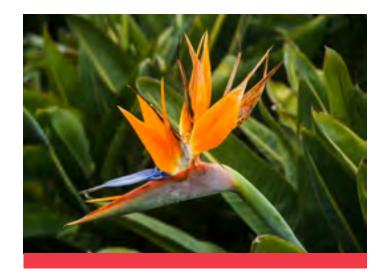
Explanation of any re-statements of information provided in earlier reports (G4-22)

None identified.



Significant changes from previous reporting (G4-23)

None identified.



Stakeholder Engagement

SD²⁴ _{G4}

List of stakeholder groups engaged by the organization (G4-24)

Advocacy and Advisory Groups	NGOs * and Think Tanks	Governments
Communities	Industry and Trade Associations / Consortiums	Regulators
Customers/Retailer	Academia	Financial Community
Employees	Retirees	Competitors
Investment Professionals	Shareholders	Suppliers
IGOs**	Consumers	Media

^{*} Non-governmental organization

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:

- Dow's 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 Panels (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 collaborate and share best practices on addressing current sustainability trends in the marketplace.
- The Sustainability Network brings together passionate Dow employees both at a regional and global level to discuss and take action on topical sustainability issues both inside and outside of Dow.
- Dow is a member of The Sustainability Consortium, an independent organization of diverse global participants working to design and implement credible, transparent, scalable, science-based measurement and reporting systems accessible for all producers and users of consumer products. Through The Consortium, Dow collaborates with our customers and the value chain to develop approaches to providing more sustainable solutions for the whole supply chain and ultimately, the consumer. Dow leverages its science and technology expertise in sustainable chemistry and global network while working alongside The Consortium's various private and public sector partners.

 In alignment with Dow's 2015 Sustainability Goals, the Sustainability Innovation Student Challenge Award (SISCA) program was launched in 2009. To promote forward thinking in social and environmental responsibility, SISCA acknowledges the energy, commitment and enthusiasm of the students and the university professors, sponsors and facilitators who support their sustainability innovations and efforts in continued excellence.



Basis for identification and selection of stakeholders with whom to engage (G4-25)

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.



Approaches to stakeholder engagement (G4-26)

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 interest. The overall purpose of engagement is to advance the most appropriate business objectives while building Dow's reputation.

The following are examples of engagement with key stakeholders in 2014. The engagements described were not undertaken specifically as part of the report preparation process.

^{**} intergovernmental organization

"Sustainable development and growth requires broad collaboration and engagement with stakeholders – from customers, NGOs and investors, to policy makers, academic partners consortia and our own employees. Solving global challenges will require unique and unlikely collaborations, as different perspectives can further enable innovation and enhance our ability to deliver breakthrough, sustainable solutions – together. At Dow, we listen, we learn, we build understanding and trust on issues of mutual interest, as we believe stakeholder engagement is critical to not only our success as a Company, but to the well-being of generations to come."



- Eunice Heath
Global Director, Sustainable Products Marketing and Strategy

- Since its formation in 1992, Dow's SEAC has brought a diverse outside-in perspective on environment, health and safety, and sustainability issues for the Company. Council meetings take place over two and a half days, addressing agenda items that have been suggested by Dow and the Council. The Council plays a valuable role as a sounding board on the interface between Dow and the external world. Council members' familiarity and links with external groups allows engagement in broader stakeholder dialogue.
- Dow Brazil brought the Brazilian food chain together to discuss the topic in a summit themed "Sustainable Solutions for the Food Chain in Brazil: Feeding a Growing World." The summit was attended by 200 partners from the Brazilian food value chain: from food producers to processing companies and retailers, representatives from the cold chain, plastic packaging manufacturers, customers from different businesses, governments and associations' representatives. Participants came away with a better understanding on how everyone across the Brazilian food chain, working together, can deliver sustainable solutions to the global challenge of feeding our growing world.
- Pack Studios Shanghai, China, and Pack Studios Horgen, Switzerland, were opened in 2014, completing the Company's global network of regional packaging innovation centers. These two locations join the Freeport, Texas, and São Paulo, Brazil, locations and are designed to accelerate innovations in packaging with customers and the value chain. Pack Studios, an integral tool for the Dow Plastics and Specialty Packaging franchise, is a global network of experts, collaboration tools and labs, including fabrication equipment. Building on a foundation of application development success, these centers enable Dow to build on its reputation and strengthen external partnerships to create smart, sustainable packaging solutions.

- Assisting more than 200 million people in Africa who face food scarcity is part of a comprehensive initiative led by Dow AgroSciences. The Company and the Academic Model Providing Access to Healthcare (AMPATH), an Indiana University-led consortium, established a collaboration to fight hunger in Africa by providing local farmers with agricultural knowledge intended to improve their crop yields and ultimately quality of life.
- Addis Ababa, Ethiopia, became fertile leadership training ground for 41 Dow employees who were deployed to the African nation to work on important community improvement projects with NGOs and social entrepreneurs. A collaboration between the Dow Sustainability Corps and Human Resources, this program offers a unique twist on leadership development. For the effort, employees from 17 countries worked closely with eight NGOs on projects of pressing community need in Addis Ababa. Addis Ababa and other communities gain significantly from this program, as selected projects often address long-standing challenges that were unsolved because of a lack of resources or expertise.
- In 2012, a collaboration between Dow and Acumen, a non-profit organization centered on venture philanthropy, was formed to address critical needs in Africa. The two groups co-sponsored Technical Assistance Initiative (TAI) summits in 2013 and 2014. The goal of the summits was to share ideas about the opportunities and challenges in social entrepreneurship, and provide small-grant funding as well as access to the Dow Sustainability Corps that utilizes the skills of Dow employees. In 2013, 10 corporations and multiple social entrepreneurs were invited to attend the first summit in Kenya, which resulted in seven social entrepreneurs receiving technical assistance grants. In 2014, five more corporations and 16 social entrepreneurs participated. In addition to small grant funding and

assistance from Dow employees, the TAI summits also promoted the sharing of ideas about the opportunities and challenges of social entrepreneurship in East and West Africa.

- The Dow S⁴TAR Program is a collaborative partnership between Dow's Supply Chain and strategic logistic partners. The program enables Dow's Supply Chain partners to achieve advancements in safety, sustainability, social responsibility and service. Dow intends to raise the bar in the industry for the four focus areas of the S⁴TAR program by exchanging best practices and sharing the company's expertise in Responsible Care[®]. Since its launch in 2011, the S⁴TAR program has been fully implemented in China, India and Japan, with significant improvements in each of the four key areas. With the Southeast Asia program recently started in Singapore, Malaysia, Indonesia, Philippines and Vietnam, the Company and its partners are taking another important step to increase performance in the future. The S⁴TAR awards will be presented annually to the Best Carrier, Best Warehouse Operator and Best Freight Forwarding Service Provider.
- 2014 marked the fourth year of the six-year Collaboration between Dow and The Nature Conservancy. Dow and The Dow Chemical Company Foundation have collectively committed \$10 million to the Collaboration over the duration of that term. As the Collaboration moves into its final two years, the focus has shifted from research to broad application across Dow and beyond. The third pilot will not be focused on a single site as the first two pilots were, but rather will seek to demonstrate how a company like Dow can incorporate the value of nature into business decisions across many sites and in different contexts. We will build upon the knowledge, tools, and capacity that the Collaboration has established over the last four years. By integrating this pilot work with the next generation of sustainability at Dow, we envision that this process will be part of a lasting transformation in Dow's approach to nature and provide a road map for others to follow.
- Dow is an integral contributor to advancing interest in, access to, and quality of science, technology, engineering and math (STEM) education globally. Dow has created STEMtheGAP™—a growing and constantly-evolving series of initiatives to support and advance STEM education. While stakeholders, target audiences, and focuses may vary, every initiative is designed to inspire conversation about STEM education, collaboration to develop innovative solutions and, as a result, transformation that will enable our nation and the world to surmount the challenges of the 21st century.



- 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. Dow provides invaluable insight regarding sustainable chemistry and advanced manufacturing perspective across industry sectors of emphasis by the consortium. Key sectors of focus are Food Beverage & Agriculture, Home & Personal Care, Electronics, Clothing Footwear & Textile, General Merchandise, Packaging, and Pulp Paper & Forestry. The Sustainability Consortium is a collaborative member organization jointly managed by Arizona State University and the University of Arkansas. The Sustainability Consortium has a broad base of support, including P&G, Wal-Mart, Marks & Spencer, Unilever, Coca-Cola, Georgia Pacific, Henkel, Johnson & Johnson, Kroger, Ahold, NGOs and industry trade associations.
- The Sustainability Innovation Student Challenge Award (SISCA) program was launched by Dow in 2009 to promote forward thinking in social and environmental responsibility. The program acknowledges the energy, commitment and enthusiasm of the students and the university professors, sponsors and facilitators who support their sustainability innovations. SISCA now engages students from 18 universities around the world. The spirit and power of global collaboration has sparked the development of long-lasting and impactful solutions.

To learn more about STEMtheGAPTM, please visit the STEMtheGAPTM website.

Engaging Employees

Dow has a long history of tracking and planning actions against measures of company culture. Dow's global survey program has existed since 1995 and utilizes an annual survey called the Global Employee Opinion and Action Survey (GEOAS). The GEOAS is designed to measure employee satisfaction, commitment, and engagement via questions about the job, development, leadership, work environment, communications, and more.

The GEOAS is currently implemented by a third-party vendor, CEB, with whom Dow has partnered since the beginning of the GEOAS. GEOAS results are key inputs into the Corporate and HR strategy and provide the primary metric of performance results.

The intent of the survey program is to provide a tracking mechanism that enables the company to focus on priority actions that will increase engagement in the workforce and ultimately improve corporate performance. External research shows that higher scores on engagement lead to more positive organizational outcomes (e.g. performance, productivity, and retention). Organizations with highly engaged employees achieve greater total shareholder return (TSR).

Employees Inspiring Change

The 80 percent global response rate achieved on the survey demonstrates the value employees place on providing their feedback to Dow.

Based on 2013 GEOAS data, in 2014 Dow focused on driving improvements in three priority areas: career planning and development, recognition, and work-related stress. During 2014, Dow leadership placed significant emphasis on action in these areas.

- Enhanced career planning materials were furnished on our My HR Connection intranet site for all employees.
- In response to employee feedback on GEOAS, Dow has launched a new and exciting approach to employee recognition.
- Health Services has prepared a Stress and Resiliency Toolkit with tools and references, completed a study on Mindfulness, and has Mindfulness training pilots underway.

Dow's 2014 GEOAS survey results showed a 1–3 percentage point improvement across all three of the priority focus areas. Dow will maintain these areas of focus for 2015. In 2013, an additional component of the GEOAS focused specifically on Leadership Effectiveness. The Leadership Effectiveness Survey (LES) gives employees the opportunity to provide input specific to their leaders. The LES results are used for development and performance discussion input. Dow focuses on leadership effectiveness to positively impact leader behavior/manager effectiveness – a critical driver of engagement scores. The summary data is also taken to evolve our programs in support of people leader capability through our leadership development curriculum.

Employee Networks

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

The networks at Dow offer mentoring and networking opportunities, and provide access to professional development. All employees are eligible to join any of the networks as early in their career as they choose.

Sustainability Network

The Sustainability Network is a catalytic forum of sustainability enthusiasts that aspires to engage Dow employees to foster knowledge, projects and results for the benefit of Dow and its employees by integrating sustainability in our culture. The Network, made up of Dow employees from every geographical region, meets regularly to focus on educational topics related to sustainability. Often the topics are specific to addressing a sustainability challenge within the Company. The Sustainability Network provides the opportunity for any Dow employee to engage in an open dialogue on internal and external sustainability topics which promotes the integration of sustainability into our day-to-day to actions.

Employee Input on Dow's Next-Generation Sustainability Goals

Throughout 2014, the Company solicited ongoing input from employees in development of our Next-Generation Sustainability Goals, to be achieved by the year 2025. Many internal and external stakeholders collaborated to build the Company's next-generation approach to sustainability, determining how Dow can take its performance to the next level. Feedback was collected from employees through various channels including an intranet form dedicated to employee input on the next generation goals, and special sessions hosted by the Dow Sustainability Network. Employees were encouraged to answer two main questions through the development of the next generation themes, and the development of the themes into goals:

- How should Dow develop its sustainability themes into goals to ensure its continued and sustainable success?
- How can these themes best work with your business, functional and geographic strategies?

Potential Job Candidates

Candidates are increasingly behaving like consumers when choosing an employer. As a result, companies are adjusting how they source and engage with talent through the use of digital hiring strategies. Through collaboration between Dow Human Resources and Public Affairs, we have made significant progress toward meeting the Company's hiring needs through the innovative use of multi-channel digital and social media.

Enabling Dow's success begins with ensuring that we have a robust talent pipeline to meet current and future business needs and fuel Dow's growth. Digital hiring offers Dow the ability to target and attract qualified talent to fill strategic roles anywhere around the globe, faster and at lower cost than via traditional recruiting methods.

Dow has participated in external benchmarking studies which rank the digital recruiting performance of premier companies. The benchmarking studies evaluated Dow's overall online talent communications across digital and social channels, our use of social media to connect with prospective employees (e.g., LinkedIn, Facebook, Twitter, YouTube, Glassdoor), our desktop career website, our mobile careers website, and our online application process. Dow has been ranked more favorably than premier companies, including our competitors for talent, and also ranked higher than leading global technology companies.

Communities

With sites in 35 countries, Dow has a daily presence in small towns and cities around the world as a neighbor, community leader, employer and manufacturer. Understanding the needs of the communities where Dow has locations, and responding in a constructive and appropriate way, is part of our role as a member of the community and one to which we are deeply committed. At Dow we believe our decision-making processes are improved when we involve the community. Dow's Community Advisory Panels (CAPs) represent a broad cross-section of local interests, including healthcare, education, civic engagement, law enforcement and local business. Dow CAPs operate in more than 38 of our global manufacturing communities and offer valuable insight into local operations.

To learn more about how Dow reaches out to community stakeholders, please visit the <u>Corporate Citizenship website</u>.



Key topics and concerns raised through stakeholder engagement and how the organization has responded to those key topics and concerns (G4-27)

The SEAC provides for open and structured dialogue between Dow's senior leaders and independent external thought leaders on issues of critical importance to society and to the Company. 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:

- Dialogue about progress and impact of Dow's 2015 Sustainability Goals
- Dialogue and creative input on Dow's next generation approach to sustainability
- Review of business unit strategies, particularly related to sustainability issues
- Review of current sustainability issues
- Dialogue on doing business in new emerging regions, including growth projects



A similar method called Dow Community Advisory Panels (CAP) is used locally at many of Dow's manufacturing/ R&D sites. These panels are made up of selected Dow and community leaders for the purposes of conducting ongoing and open communication regarding Dow's operations, safety programs, environmental conditions, community interactions and many other aspects of the plant that might be of interest to the community. Feedback from Dow CAPs allows Dow to be responsive in areas such as addressing a community's quality of life needs where the Company can have the greatest impact.

Dow continues to re-align CAPs to maximize value for both Dow and the community where Dow has a presence. Many Dow CAPs are in the process of reinventing ways in which they can maintain their current relationships and mission while at the same time finding new ways they can expand their reach. For example, Dow CAPs are instituting staggered term limits for community leaders on the CAP in an effort to increase capacity of their CAPs by creating alumni groups. This allows for a much broader approach in reaching out to additional community leaders and for fresh feedback related to Dow in the community. CAP members are also engaging other community residents by inviting them to a Dow hosted events in an effort to engage and expand our community reach. This is also resulting in greater feedback by residents and more awareness building about Dow within the community.

Dow also measures our impact as a corporate citizen and identifies concerns through periodic community assessment surveys at select sites. These surveys generate feedback related to quality-of-life issues, identify Dow's "rightful role" in a community, and also provide direct recommendations on identified opportunities where Dow can have a positive impact. We address these and many more issues through our local site Community Success Plans.

Attracting and retaining world-class talent is key to maintaining Dow's competitive advantage. We constantly strive to maintain a culture where each employee is valued, respected, and encouraged to grow in his or her career. In order to continue accelerating Dow's transformation, we must empower one another to act as agents for positive change within our company. This is why we are committed to regularly conducting the GEOAS.



Employee feedback from the 2014 GEOAS encouraged us to reexamine how we approach career development, recognition and work-related stress. As a result, we launched Accelerate Great, an exciting new way for employees and leaders to recognize their colleagues for great work. We drove a stronger emphasis on career planning with the introduction of new resources, such as Career Portraits and Career Galleries. And our Health Services team carefully examined the data to pinpoint the root causes of work-related stress and develop interventions to eliminate or reduce it.

In addition to the critical metric of employee engagement, the 2014 GEOAS was again paired with a Leadership Effectiveness Survey (LES). The LES allowed employees provide confidential feedback on their supervisors and the areas where they can develop to better lead and engage. Employee are encouraged to think about recent interactions with their leaders, call attention to their strengths and provide candid, constructive feedback on specific opportunities for development. The Leadership Development Guide and Leadership Effectiveness Feedback Report provide leaders with insight into where they are in their journey towards superior leadership. Together, they offer ideas on the areas to focus on as they work to build relationships and enhance their interactions with individuals on their team to motivate, engage and lead them to success. Dow connects leaders with specific development resources as part of the LES feedback process.

An issue of increasing concern to stakeholders is reform of the Toxic Substances Control Act (TSCA), the law that governs production, import and use of chemicals in the U.S. Insight about the significance of the issues and the gaps that exist between industry and other stakeholder positions makes this a topic in which constructive conversation is needed. Dow has organized, with American Chemistry Council (ACC), a series of TSCA dialogue sessions with stakeholders from state environmental agencies with an interest in TSCA reform and several other ACC member companies. Representatives from the state agencies and ACC member companies are coming together to learn from each other – sharing our positions on key TSCA framework issues. This understanding provides a better backdrop for both groups as TSCA reform legislative dialogue advances.

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

Report Profile



Reporting Period (G4-28)

Based on 2014 corporate data for the year ended December 31, 2014.



Date of most recent previous report (G4-29)

This is Dow's 12th GRI Sustainability Report. The previous report covered 2013 and can be found on our Sustainability Reporting site.



Reporting cycle (G4-30)

Annual



Contact for questions regarding the report or its content (G4-31)

Han Zhang hzhang10@dow.com 1-989-636-3485 Sustainability Reporting



Table identifying the location of the Standard Disclosures in the report (G4-32)

The Company has chosen to maintain our historical reporting excellence by adopting the new GRI 4 Guidelines. We consider this report Comprehensive as defined by GRI 4 Guidelines.

For ease of navigation, see the Content Index available at the end of this report.

See next item for information on Assurance.



Policy and practice with regard to external assurance for the report (G4-33)

Dow engaged ERM Certification and Verification Services (ERM CVS) to provide limited assurance service to Dow's 2014 Sustainability Report. This is the eighth time Dow has included an independent assurance statement as a part of the Annual Sustainability Report.



Independent Assurance Statement to The Dow Chemical Company

ERM Certification and Verification Services (ERM CVS) was engaged by The Dow Chemical Company (Dow) to provide limited assurance, as described below, in relation to the Dow Chemical Company 2014 Sustainability Report (the Report).

Engagement Summary		
Scope:	 Whether Dow has applied the GRI Report Content Principles during the development of the Report. Whether the 2014 information and data for disclosures, as indicated in the GRI G4 Index, are fairly presented, in all material respects, with the stated reporting criteria. To confirm Dow's self-declaration of reporting 'in accordance' with comprehensive option using the GRI G4 Guidelines. 	
Reporting Criteria:	The Sustainability Reporting Guidelines G4 of the Global Reporting Initiative and internal indicator criteria developed by Dow and described in the relevant performance sections.	
Assurance Standard:	ERM CVS' assurance methodology, based on the International Standard on Assurance Engagements (ISAE 3000).	
Assurance level:	Limited assurance.	
Respective responsibilities:	The Dow Chemical Company is responsible for preparing the Report and for the collection and presentation the information within it. ERM CVS's responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.	

Our conclusions

Based on our activities, as described below, nothing has come to our attention to indicate that the following statements are not correct:

- Dow has applied the GRI Report Content Principles during the development of the Report.
- The 2014 data and information for the disclosures marked in the assurance column of the G4 Report Content table are fairly presented, in all material respects, with the reporting criteria.
- Based on the GRI Content Table (page 140) the self-declared GRI G4 Guidelines 'in accordance' with comprehensive option in G4-32 is consistent with the GRI criteria for a report based on the GRI G4 Guidelines 'in accordance' with comprehensive option.

Our assurance activities

A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures which varied across the disclosures covered by our assurance engagement.

For the disclosures marked with \checkmark :

- An interview with a member of the Sustainability External Advisory Committee (SEAC) to review SEAC process and to test responsiveness of Dow to issues raised;
- Interviews with management representatives at Dow's head office in Midland, Michigan in order to understand Dow's sustainability strategy, policies and management systems for the relevant disclosures.
- Checking consistency of financial data and other information with Dow's 10K report.
- Confirming the consistency of the reported information with our understanding of Dow's business, operations, sustainability strategy and prior reporting.

In addition to the above, for the disclosures marked with \checkmark +:

- A review of the materiality determination process including the results of stakeholder engagement.
- A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information.
- A review of the internal reporting guidelines, including the Global Incident Reporting Database (GIRD), the Global Emissions Inventory (GEI) Global Standard and the Global Asset Utilization Report (GAUR) as well as the associated conversion factors used.
- Interviews with relevant staff to discuss and review the data management systems and internal review processes used for collecting, consolidating and reporting the 2014 data.
- A visit to the head office of Dow in Midland, Michigan, where we:
 - reviewed the completeness of data reported by all the sites and the effectiveness of the internal review (QA/QC processes), including the consolidation process;
 - reviewed performance during the reporting period against the 2015 sustainability goals.
- Visits to two production sites in Spain (Tarragona) and the USA (St Charles, Louisiana) to verify environmental and safety source data for 2014 and to understand local community engagement, human resources and procurement activities.
- Remote interviews with Dow employees at a production site in China (Zhangjiang) to discuss activities and processes relating to reporting environmental and safety performance metrics, local community engagement, human resources and procurement activities.

To check on the completeness of reporting we also reviewed external media reporting relating to Dow to identify relevant sustainability issues in the reporting period. Finally we reviewed the presentation of the information relevant to the scope of our work in the Report to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured data is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context. Our independent assurance statement provides no assurance on statements in the report regarding future performance or on whether Dow will achieve its stated goals.

Our Observations

We have provided Dow with a separate management report with detailed (non-material) findings and recommendations. Without affecting the conclusions presented above we have the following key observation:

- Recognizing that Dow publishes quarterly sustainability updates relating to its performance against its Sustainability Goals we recommend that Dow looks to further leverage the principle of materiality to produce an annual sustainability report that prioritises G4 disclosures in alignment with the materiality matrix to provide readers with a more focused annual summary of performance.
- The calculation of Dow's global GHG emissions currently uses global warming potential factors from based on the Intergovernmental Panel on Climate Change Second Assessment Report (IPCC 1996). We understand that the same factors will be retained throughout Dow's 2015 Sustainability Goals for purpose of comparability. We recommend that Dow considers updating its selection of the global warming potential factors for its future reporting against relevant 2025 goals.

Jennifer Iansen-Rogers Head of Report Assurance 12 June 2015



ERM Certification and Verification Services, London www.ermcvs.com Email: post@ermcvs.com

ERM CVS is a member of the ERM Group. The work that ERM CVS conducts for clients is solely related to independent assurance activities and auditor training. Our processes are designed and implemented to ensure that the work we undertake with clients is free from bias and conflict of interest. ERM CVS provides no consultancy related services to Dow in any respect.

Governance



Governance structure of the organization (G4-34)

Board of Directors

Dow's <u>Board of Directors</u> is intimately involved in the strategy and operations of the Company – conducting thorough reviews and asking difficult questions. Dow exemplifies good governance with a lead director; directors with solid, diverse experience and credentials; <u>corporate governance guidelines</u>; and <u>codes of business conduct</u> and <u>financial ethics</u>. A substantial majority of Dow's Board members are independent directors.

Corporate Officers

<u>Corporate Officers</u> facilitate the strong connection between the Company and its Board of Directors, collectively enabling the highest standards for governance.

Office of the Chief Executive

Accountable for maximizing shareholder value, Dow's <u>Office of the Chief Executive</u> sets strategic direction, defines priorities, establishes corporate policy, and manages governance and enterprise-level decisions for the Company.

Function Leadership

Dow's <u>Functional Leadership</u> team drives an operationally excellent culture focused on executing against the Company's strategic priorities.

Board Committees

The Board Committees, which are listed below, are described in the Company's Bylaws available at www.dowgovernance.com. Also available is a Board Committee Membership chart that provides an overview of members and Committee roles.

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

The Environment, Health, Safety and Technology Committee of the Board of Directors (the "Committee") assists the Board of Directors in fulfilling its oversight responsibilities by assessing the effectiveness of programs and initiatives that support the Environment, Health and Safety (EH&S) and sustainability, innovation, and technology policies and programs of the Company and by advising the Board on matters impacting corporate social responsibility and Dow's public reputation.

See Strategy & Profile section, item 45 for the Committee Authority and Responsibilities.

More information on Dow's corporate governance, including Dow's corporate governance guidelines, Board Committee charters and Code of Business Conduct, is available online at www.dowgovernance.com.

Executive Sustainability Team

The Executive Sustainability Team is accountable to the Office of the Chief Executive and serves as Dow's management governance body for the company for Sustainability, Environment, Health & Safety Policy.

- Assures adherence to the corporate EH&S Policy and revise and approve when deemed necessary.
- Decision-making for EH&S issues and strategic direction that need corporate management level approval (e.g., corporate elevated product and process risk management reviews, compliance plan performance).
- Ensures continued progress is made toward achieving Dow's Sustainability goals.
- Provides strategic direction and oversight to Dow's Corporate Reputation to ensure the respect of our stakeholders.
- Provide oversight on behalf of the Executive Committee for the following corporate management committees: Corporate Reputation Team, Crisis Management Team, Public Issue Strategy Board, Remediation Strategy Board, and Corporate Contribution Committee.

Current members of the Executive Sustainability Team are:

- Neil Hawkins (Chair): Corporate Vice President and Chief Sustainability Officer
- Jim Fitterling: Vice Chairman, Business Operations
- Joe Harlan: Chief Commercial Officer and Vice Chairman, Market Businesses
- Peter Holicki: Corporate Vice President of Manufacturing, Engineering and Environment, Health & Safety Operations
- Duncan Stuart: Associate General Counsel, Corporate Transactions
- Diego Donoso: Business President, Dow Packaging and Specialty Plastics
- Pat Gottschalk: Business President, Dow Coating Materials, Performance Monomers, Plastic Additives



Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees (G4-35)

Dow employs a delegation of authority structure from senior executives throughout the Company through a chain of command. Generally, this occurs from vice presidents to directors, to leaders and then to specialists. The Executive Sustainability Team directs and delegates authority to act to Dow's business units, functions and process governance teams in addition to the aforementioned chain of command.



Executive-level position with responsibility for economic, environmental and social topics (G4-36)

Neil Hawkins, Corporate Vice President and Chief Sustainability Officer, is responsible for Environment, Health and Safety (EH&S) and leading the company's commitment to set the standard for sustainability. Hawkins reports directly to Jim Fitterling, Vice Chairman, Business Operations.



Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics (G4-37)

Stockholders and other interested parties may communicate directly with the full Board, the Lead Director, the non-management Directors as a group, or with specified individual Directors by any of several methods. These methods of communication 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 Lead Director and other non-management Directors may also be contacted by email addressed to LeadDirector@Dow.com. Please specify the intended recipient(s) of your letter or electronic message.

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 4 of the 2015 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 farreaching topics related to Dow. Andrew N. Liveris, President, Chief Executive Officer and Chairman of the Board, extends the following invitation to employees: "Please join me in a conversation about Dow. The topics will be far-ranging. The

focus: how today impacts tomorrow. We are looking for a dynamic, 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 GEOAS.

The Dow EthicsLine is a safe, reliable and convenient avenue to report ethical concerns. It is available globally, with multilingual 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.



Composition of the highest governance body and its committees (G4-38)

The Board has assessed the independence of each nonemployee Director based upon the Company's Director independence standards listed on the Company's corporate governance website (www.DowGovernance.com). 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 upon these standards, the Board has determined that the following members of the Board are independent: Directors Banga, Barton, Bell, Davis, Fettig, Loughridge, Milchovich, Miller, Polman, Reilley, Ringler and Shaw. These independent Directors constitute 92 percent of the full Board, a substantial majority consistent with Board policy. Of these independent members of the Board, 15 percent are female.

Directors Loughridge, Milchovich and Miller joined the Board following the 2014 Annual Meeting having been elected by the Board to serve as Directors effective January 1, 2015; Director Davis was nominated for the Board and elected along with the current Directors at the 2015 Annual Meeting of Stockholders held May 14, 2015. Director Allemang did not stand for reelection at the 2015 Annual Meeting of Stockholders.

More detailed information regarding the composition of the Board is available in the 2015 Proxy Statement. See in particular pages 4-7 for detailed biographies and pages 12-14 for key attributes of each Director.



Is the Chair of the Board of Directors also an executive officer? (G4-39)

Andrew N. Liveris has served as the President, Chief Executive Officer and Chairman of the Board of the Company since 2006.

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. Mr. Liveris is the only member of executive management who is also a Director.



Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members (G4-40)

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.DowGovernance.com.

The Governance Committee has responsibility for reviewing issues involving Director independence and related person transactions using information obtained from Directors' responses to a questionnaire asking about their relationships with the Company, and those of their immediate family members and primary business or charitable affiliations and other potential conflicts of interest, as well as certain data collected by the Company related to transactions, relationships or arrangements between the Company on the one hand and a Director, officer or immediate family member on the other.

The process for on-boarding new directors also includes a defined orientation process that includes guidance on how to fulfill their duties as a member of the Dow Board of Directors.



Processes in place for the highest governance body to ensure conflicts of interest are avoided (G4-41)

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.DowGovernance.com.

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The process for on-boarding new directors also includes a defined orientation process that includes guidance on how to fulfill their duties as a member of the Dow Board of Directors.



The highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts. (G4-42)

Andrew N. Liveris, President, Chief Executive Officer and Chairman of the Board of The Dow Chemical Company, and senior executives periodically review and update Dow's essential elements of mission, vision, values, and strategy. These essential elements provide insight, offer motivation, and point the way forward as the Company seeks to grow and achieve our goals. The Company's mission, vision, values, and strategy are reviewed during the Company's Strategy Week which is held twice a year, and any modifications are proposed to the Board of Directors for consideration. The Board of Directors reviews and approves the proposed mission, vision, values, and strategy on a semi-annual basis.



The measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics. (G4-43)

The Environment, Health, Safety and Technology (EHS&T) Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities by assessing the effectiveness of initiatives that support the environment, health, safety, sustainability, innovation and technology policies and programs of the Company, and by advising the Board on matters impacting corporate citizenship and Dow's public reputation. A more complete description of the duties of the Committee is contained in the EHS&T Committee charter available at www.DowGovernance.com.

To ensure the Board of Directors' continuing effectiveness to understand and respond to sustainability impacts, the Environment, Health, Safety and Technology Committee of the Board of Directors met five times in 2014. Agendas for these meetings are designed to not only review sustainability issues, but also to educate the Committee on current and future sustainability trends.



Process for evaluating the highest governance body's performance, particularly with respect to economic, environmental, and social performance (G4-44)

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 CEO.

The Committees undertake numerous risk oversight activities related to their charter responsibilities. For example, the Compensation and Leadership Development Committee regularly reviews any potential risks associated with the Company's compensation policies and practices. As another example, the EHS&T regularly reviews the Company's operational risks including those risks associated with process and product safety, public policy, and reputation risks.

The responsibilities of each Committee are stated in the Bylaws and in their respective Committee charters, which are available at www.DowGovernance.com.



The highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities (G4-45)

The EHS&T Committee assists the Board of Directors in fulfilling its oversight responsibilities by assessing the effectiveness of programs and initiatives that support the Environment, Health and Safety (EH&S) and sustainability, innovation, and technology policies and programs of the Company and by advising the Board on matters impacting corporate social responsibility and Dow's public reputation.

The EHS&T Committee has the authority and responsibility to take the actions set forth below:

- 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.
- 7. Review the Company's initiatives to build reputation.





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 www.dow.com at Corporate Governance – Board Committees.

The Office of the Chief Executive 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.



The highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics (G4-46)

The Board of Directors is responsible for overseeing the overall risk management process for the Company. Risk management is considered a strategic activity within the Company and responsibility for managing risk rests with executive management while the Committees of the Board and the Board as a whole participate in the oversight of the process. Specifically, the Board has responsibility for overseeing the strategic planning process and reviewing and monitoring management's execution of the corporate and business plan, and each Board Committee is responsible for oversight of specific risk areas relevant to the Committee charters.

The Committees undertake numerous risk oversight activities related to their charter responsibilities. For example, the Compensation and Leadership Development Committee regularly reviews any potential risks associated with the Company's compensation policies and practices. As another example, the EHS&T Committee regularly reviews the Company's operational risks including those risks associated with process and product safety, public policy, and reputation risks.



The frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities (G4-47)

The oversight responsibility of the Board and Committees is enabled by an enterprise risk management model and process implemented by management that is designed to identify, assess, manage and mitigate risks. The Audit Committee is responsible for overseeing that management implements and follows this risk management process and for coordinating the outcome of reviews by the other Committees in their respective risk areas. In addition, the enterprise risk management model and process are reviewed with the Board of Directors annually and the Board recognizes that risk management and oversight comprise a dynamic and continuous process.

The strategic plan and critical issues and opportunities are presented to the Board each year by the CEO and senior management. Throughout the year, management reviews any critical issues and actual results compared to plan with the Board and relevant Committees. Members of executive management are also available to discuss the Company's strategy, plans, results and issues with the Committees and the Board, and regularly attend such meetings to provide periodic briefings and access. In addition, the Audit Committee regularly meets in executive sessions and holds separate executive sessions with the lead client service partner of the independent registered public accounting firm, internal auditor, general counsel and other management as appropriate.

There were 11 Board meetings in 2014 and 30 Board Committee meetings. All of the Directors attended more than 75 percent of the sum of the total number of Board meetings and the total number of meetings of the Board Committees on which the Director served during the past year.



The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered (G4-48)

Neil C. Hawkins, Corporate Vice President and Chief Sustainability Officer



Process for communicating critical concerns to the highest governance body (G4-49)

See G4-37 and G4-47 for more information and a complete description of this process.



The nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them (G4-50)

The Business Risk Review (BRR) Work Process exists to help Dow employees identify, evaluate and manage EH&S risks, including risks associated with possible failure of a product to perform as intended (i.e., product efficacy). Fundamental to the entire BRR Work Process is the recognition by someone in the organization that there is an activity or opportunity that potentially poses a risk to people or the environment and that is a candidate for a risk evaluation.

The Executive Sustainability Team has established a set of criteria for elevating selected activities and opportunities and their attendant EH&S and product efficacy risks for review. These criteria are not to be interpreted as defining what the Corporation considers to be acceptable or unacceptable levels of risk, but rather are intended to define those activities or opportunities that carry levels of risk that the Sustainability Team wants to review and approve or reject. They are intended to be evergreen and are subjected to modification and refinement based on experience with their use.

Corporate-level identification and management of risk is enabled by an enterprise risk management model and process implemented by management that is designed to identify, assess, manage and mitigate risks. The Audit Committee is responsible for overseeing that management implements and follows the enterprise risk management process and for coordinating the outcome of reviews by the other Committees in their respective risk areas. In addition, the enterprise

risk management model and process are reviewed with the Board of Directors annually and the Board recognizes that risk management and oversight comprise a dynamic and continuous process.

Twelve principal risks were disclosed in the Dow 2014 10-K. See the Dow 2014 10-K, PART I, Item 1A for a more complete discussion of Risk Factors.



Remuneration policies for the highest governance body and senior executives (G4-51)

The following provides an overview of Dow's compensation philosophy and programs:

- The compensation programs at Dow are designed primarily to support the realization of Dow's vision of being the most profitable and respected science-driven chemical company in the world, while promoting the long-term interests of our stockholders and other stakeholders.
- Our compensation programs are designed to attract, motivate, reward and retain the most talented executives who can drive business performance.
- Dow believes in pay-for-performance, which we implement through an annual incentive award that includes objective performance criteria and through equity awards where the value realized is tied to our stock price performance, including shares that vest only if certain performance hurdles are satisfied. These performance components represent at least 80 percent of the direct compensation of the Named Executive Officers ("NEOs").
- The following elements comprise the total direct compensation awarded to our NEOs: base salary, performance-based annual cash incentive award ("Performance Award"), and equity based Long Term Incentive ("LTI") awards consisting of Performance Shares, Stock Options and Deferred Stock.
- We emphasize stock ownership. LTI awards are delivered as equity-based awards to senior executives. Dow executives are required to maintain, until retirement, between four and six times their annual base salary in Dow stock. This encourages managing from an owner's perspective and better aligns their financial interests with those of Dow stockholders.



Strategy & Profile

- We target all elements of our compensation programs to provide a competitive compensation opportunity at the median range of our peer group of companies whose compensation is surveyed by the Compensation and Leadership Development Committee. Actual payouts under these programs can be above or below the median based on Company and personal performance.
- Our executives participate in the same group benefit programs, including pension and retirement plans, on substantially the same terms as other salaried employees.
- Our executives are provided limited perquisites which are granted to facilitate strong, focused performance on their jobs.
- The Committee exercises discretion in determining compensation actions when necessary due to extraordinary changes in the economy, unusual events or overall Company performance.

See the compensation discussion and analysis section of the 2015 Proxy Statement for more detailed information.



Process for determining remuneration (G4-52)

Compensation is a key component of Dow's Employee Value Proposition (EVP). Dow has a variety of compensation programs to incentivize and reward employees' contributions. There are two main components of compensation that all Dow employees receive: Base pay and an annual variable program called the Performance Award. These components are reviewed for each employee annually through Dow's Global Pay Planning (GPP) cycle.

Dow remains competitive with our peer companies by conducting a rigorous annual Market Measurement Process (MMP), partnering with external consulting firms with recognized expertise in the global compensation market, and access to multiple salary surveys. This ensures that Dow has access to accurate and objective market data. Generally, Dow targets the median level of compensation with companies that Dow competes with for talent and for similar jobs in the market.

During the GPP cycle, annual base pay increase guidelines and Performance Award payout guidelines are created for each employee by Dow's global compensation department. Supervisors make compensation decisions for their employees using these guidelines and assessing the employee's overall contribution and goal completion, including performance on sustainability goals. All compensation decisions are reviewed by second-level leaders and ultimately functional leadership for equity and consistency.

The Compensation and Leadership Development Committee is a subset of Dow's Board of Directors. The Committee, which is comprised of independent directors, is responsible for the approval of the overall design of Dow's annual Performance Award and LTI programs, and the metrics and goals that determine payout amounts.

The Committee has retained an external compensation consultant, who reports directly to the Committee. The consultant advises the Committee on trends and issues in executive compensation, and provides advice and recommendations in relation to proposed compensation and the design of our compensation programs.



Generally, the compensation consultants that Dow employs have multiple safeguards and procedures in place to maintain the independence of the consultants in their compensation consulting practice. These safeguards include a rigidly enforced code of conduct, a policy against investing in client organizations and separation between their compensation consulting and other business units from a leadership, performance measurement and compensation perspective.



How stakeholders' views are sought and taken into account regarding remuneration (G4-53)

The Company has provided stockholders a "say-on-pay" advisory vote on its executive compensation programs since 2011. Following the Company's 2014 Annual Meeting of Stockholders, we reviewed the results of the stockholder advisory vote on our executive compensation programs. Approximately 79% of the votes cast supported our compensation programs. The Compensation and Leadership Development Committee (see G4-52) carefully evaluated the results of the 2014 say on pay vote at subsequent meetings.

The Committee considers the feedback that is received through ongoing dialogue with our major shareholders. We view this as an important opportunity to develop broader relationships with key investors over the long-term and to engage in open dialogue on compensation and governance related issues. We also held discussions with stockholders before year-end in advance of preparing for the 2015 proxy statement allowing for additional input and discussions.

A substantial majority of our investors indicated that they viewed our executive compensation program as sound and our engagement did not indicate a broad-based negative referendum on our compensation policies and practices. However, even when supportive, our investors shared a number of observations or concerns which we took into account in evaluating ways to further enhance our executive compensation programs and related disclosures.

See the Response to Say-on-Pay Vote & Stockholder Outreach of the 2015 Proxy Statement for actions we took as a result of the 2014 say-on-pay vote and our related engagement with our shareholders.



Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (G4-54)

Dow's annual total compensation is evaluated on a role specific basis. Each employee is paid on a market-competitive basis. In the interest of confidentiality, Dow does not report ratios based on individual compensation or make pay decisions based on these ratios. See G4-52 for a full description of the process for determining remuneration at Dow.



Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (G4-55)

See G4-54 for details.



Ethics and Integrity



Describe the organization's values, principles, standards, and norms of behavior such as codes of conduct and codes of ethics (G4-56)

Taken together, Dow's essential elements of 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. These essential elements provide insight, offer motivation, and point the way forward as we seek to grow and achieve our goals.



The Diamond Standard, Dow's Code of Business Conduct summarizes many of the ethical principles and policies created to deal with issues such as bribery, political contributions, equal employment opportunity, and EHS. All of us at Dow, no matter where we happen to live, are expected to apply these principles in the daily performance of our job responsibilities.

In December 2010, a new Code of Conduct was approved by Dow's Board of Directors. The Code has been translated into 24 languages.

More information about Ethics & Compliance at Dow can be found on our website.



Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines (G4-57)

See next section for details related to mechanisms for seeking advice.



Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines (G4-58)

Dow's policy is to be lawful, highly-principled and socially responsible in all of its business practices. Dow expects employees to learn and comply with all company policies and laws applicable to their job responsibilities and to adhere to the guiding principles outlined in this Code.



In September 1998, Dow established the Office of Ethics and Compliance (OEC) to reinforce the company's longstanding commitment to ethical business conduct. The office communicates the company's standards, provides guidance on issues related to ethical conduct and oversees mechanisms for action in this critical area.

Dow's Code of Business Conduct, The Diamond Standard, sets the ethical standard for Dow and its employees. Dow employees and third parties are encouraged to report potential violations of the Diamond Standard for investigation and action. The Dow EthicsLine, operated by an external vendor,

is available globally, with multi-lingual capabilities, 24 hours a day, seven days a week, to receive reports by phone or web submission. In addition to the EthicsLine, employees are encouraged to report their concerns to their supervisors or other leaders, Legal department attorneys, Human Resources, Regional Ethics and Compliance Committee members or directly to the Office of Ethics and Compliance. All concerns are evaluated and all potential code violations are investigated. Statistics regarding ethics complaints are published for employees on the OEC's intranet homepage. In 2014, 296 matters were reported to the OEC, 249 of which required an investigation. All issues that required corrective actions were appropriately addressed.





Economic Summary (G4-DMA)

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 society.

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.

Dow's corporate strategy is to invest in a market-driven portfolio of advantaged and technology-enabled businesses that create value for our shareholders and customers. Over the past several years, Dow has transformed into an integrated science and technology company. Dow's low-cost operating discipline, together with its scale and R&D expertise, are enabling the Company to maximize value across its integrated portfolio. Through the consistent execution against its six near-term strategic priorities, Dow is further strengthening these advantages, driving sustainable, long-term value for the Company, our customers, and our shareholders and society.

These priorities include:

- Invest in key integrated and feedstock driven value chains and successfully start up these projects in 2015 (U.S. Gulf Coast investments and Sadara)
- Launch new products in Dow Packaging and Specialty Plastics, Dow AgroSciences, Dow Electronic Materials and Dow Coating Materials, and deliver new margins in these businesses in 2014/2015
- Drive productivity and reduce costs manage cash and capital tightly
- Divest or JV chlorine chain and Epoxy business in 2014/2015
- Release hidden value businesses and ventures, drive better transparency on return on capital and create value in each segment
- Drive returns that exceed the cost of capital, increase financial flexibility with cash generated and reward shareholders

Key Accomplishments for 2014

Dow had a strong year in 2014 as financial discipline, increasing demand and execution against strategic initiatives created value for shareholders. The Company is driving proactive portfolio management and productivity actions, efficiently managing capital and investing for long-term growth.

Net sales for 2014 were \$58.2 billion, up 2 percent from \$57.1 billion in 2013, with volume up 2 percent and price flat. Sales increased in all operating segments. Excluding the impact of recent divestitures, sales increased in all geographic areas.

Volume increased 2 percent in 2014 compared with 2013, with gains in all operating segments, except Performance Plastics

which remained flat, with notable increases in Agricultural Sciences and Consumer Solutions (both up 3 percent). Excluding the impact of recent divestitures, Performance Plastics volume was up 1 percent. Volume increased in all geographic areas, led by EMEAI (up 4 percent).

Price was flat in 2014 compared with 2013, as increased selling prices were offset by the unfavorable impact of currency. Price increases in Performance Plastics (up 2 percent) were offset by price declines in Agricultural Sciences and Consumer Solutions (both down 1 percent). Infrastructure Solutions and Performance Materials & Chemicals price remained flat. Price increased in North America (up 2 percent) and Latin America (up 1 percent), which was offset by a decline in EMEAI (down 1 percent). Price in Asia Pacific remained flat.

The Company delivered \$6.5 billion of cash flows from operating activities in 2014 and ended the year with \$5.7 billion of cash and cash equivalents. Interest expense and amortization of debt discount declined \$118 million from 2013, reflecting the impact of the Company's 2013 deleveraging activities and lower debt financing costs.

As a result of its focus and discipline, the Company achieved a number of significant milestones in 2014:

 On June 30, 2014, the Company started construction of its world-scale ethylene production facility at Texas Operations in Freeport, Texas. The facility will have a nameplate capacity of approximately 1,500 KTA and will support market growth and expansions in Dow's industry-leading Performance Plastics franchise. The facility is expected to start up in the first half of 2017.

- On September 17, 2014, the U.S. Department of Agriculture issued deregulation decisions for Dow AgroSciences LLC's ENLIST™ Corn and Soybean products. On October 15, 2014, the Company announced it received registration from the U.S. Environmental Protection Agency for ENLIST DUO™, the companion herbicide for use with ENLIST™ Corn and Soybeans, in six key states.
- On September 24, 2014, the Company announced it commenced construction of the world's first, large-scale, cadmium-free quantum dot manufacturing facility at Dow's Cheonan, South Korea, manufacturing site. Production at the new facility is expected in 2015.
- Dow was named by *Chief Executive Magazine* as one of the top 10 best companies for leaders the third consecutive year the Company has made the final top 40 ranking.
- Dow Packaging and Specialty Plastics launched Pack Studios Shanghai, the second of four regional innovation centers that are designed to help customers turn packaging ideas into innovative solutions.
- Dow's BETAMATE™ 1630 Structural Adhesives, TEQUATIC™
 PLUS Fine Particle Filter, NEPTUNE™ Subsea Insulation
 System, Garnet 2.0/TERAFORCE™ Resin Coated Sand
 Technology and Dow AgroSciences' TRANSFORM® WG
 Insecticide and CLOSER™ SC Insecticide with ISOCLAST™
 Active were honored by R&D Magazine as part of its
 R&D 100 Awards.
- Dow was named one of the top 50 innovation companies in the U.S. by CNBC.
- Dow was named to the Dow Jones Sustainability World Index the 14th time the Company has received this recognition since the index was launched and tying for the longest-standing representation in the chemical category since the list's inception.

Sustainability as a Value Driver

Around the world, we are using our science and innovation to advance human progress and grow value for Dow. Since 2006, Dow's 2015 Sustainability Goals have served as our guide – directing effort, resources and new ways of thinking that have enabled our Company to address pressing global challenges, while realizing financial, business and operational benefits from our sustainability efforts.

Integrating our 2015 Sustainability Goals into our marketdriven strategy and our corporate processes has saved resources and supported the Company's actions to drive operational efficiency and growth. Benefits include:

Maximizing Growth from Science-Driven Innovation

 \$13 billion in 2014 revenue from products highly advantaged by sustainable chemistry

Building Value through Operational Excellence Since 2005,

- 110 trillion BTUs of annual absolute energy reduction
- 344 million pounds of by-product reused in manufacturing
- More than 1,300 fewer injuries and illness, 340 fewer process safety incidents, and 5 billion fewer tonne-miles of transporting hazardous materials

Delivering Sustainable Solutions for Society

- Four "Breakthroughs to World Challenges" that will significantly improve the world's ability to solve the challenges of affordable and adequate food supply; decent housing; energy and climate change; sustainable water supplies; or improved personal health and safety
- 292 million tons of CO₂ equivalent avoided from use of Dow insulation products in 2014
- 25 percent increase of average Community Acceptance Ratings since 2005

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 EC7.

For major organizational risks and opportunities, see <u>G4-2</u> and <u>EC2</u> below. Please consult Dow <u>financial reports</u> and quarterly <u>earnings</u> information for externally reported financial information.

Use the <u>index</u> to find indicators of most interest to you in this section.

Economic Performance Indicators

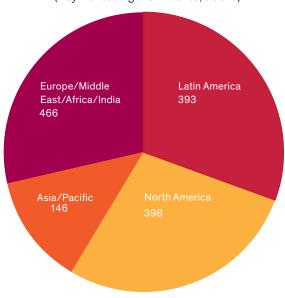


Direct economic value generated and distributed including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers (G4-EC1)

Economic value retained, dollars in millions	2014	2013
Revenues	58,167	57,080
Operating Costs	42,289	42,199
Wages/Benefits	7,792	8,115
Payments to Providers of Capital	2,952	2,539
Payments to Governments	1,369	2,274
Donations/Community Investments	50	40
Economic Value Retained	3,681	1913

Dollars in millions

(Payments to governments, above)



Corporate Taxation

Dow's commitment toward leadership, innovation, and action in Sustainability includes its transparency on corporate taxation. Dow operates in more than a hundred countries around the world. Dow aligns its tax policies, procedures, and principles consistently to ensure that it ethically complies with the laws in these countries.

• Dow applies tax practices that comply with the tax laws and regulations of the respective countries

- Dow does not implement structures for the sole purpose of tax avoidance
- Dow acts in accordance with international guidelines in its application of transfer pricing, such as OECD, and aligns with the arm's length principle
- Dow's tax staff has qualified tax professionals with experience and education in taxation
- There are strong internal controls and procedures in place to minimize risk in reporting, compliance, and other areas of tax application
- Tax risks are considered relating to: changes in rates, legislation, repatriation of earnings, tax controversy, and other areas
- Dow discloses expanded information on revenue, income before taxes and taxes in footnotes to its financial statements

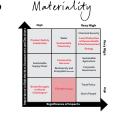


Financial implications and other risks and opportunities due to climate change (G4-EC2)

Climate change matters for Dow are likely to be driven by changes in regulations, public policy and physical climate parameters.

Regulatory Matters

Regulatory matters include cap and trade schemes; increased greenhouse gas ("GHG") limits; and taxes on GHG emissions, fuel and



energy. The potential implications of each of these matters are all very similar, including increased cost of purchased energy, additional capital costs for installation or modification of GHG emitting equipment, and additional costs associated directly with GHG emissions (such as cap and trade systems or carbon taxes), which are primarily related to energy use. It is difficult to estimate the potential impact of these regulatory matters on energy prices.

Reducing Dow's overall energy usage and GHG emissions through new and unfolding projects will decrease the potential impact of these regulatory matters. Dow also has a dedicated commercial group to handle energy contracts and purchases, including managing emissions trading. The Company has not experienced any material impact related to regulated GHG emissions. The Company continues to evaluate and monitor this area for future developments.

Physical Climate Parameters

Many scientific academies throughout the world have concluded that it is very likely that human activities are contributing to global warming. At this point, it is difficult to predict and assess

Economic Impact

the probability and opportunity of a global warming trend on Dow specifically. Preparedness plans are developed that detail actions needed in the event of severe weather. These measures have historically been in place and these activities and associated costs are driven by normal operational preparedness. Dow continues to study the long-term implications of changing climate parameters on water availability, plant siting issues, and impacts and opportunities for products.

For example, concerns have been raised that climate change may result in more frequent incidents of severe weather and the potential for rising sea levels, however there is no conclusive evidence on the impacts to specific geographic areas. In the past, major hurricanes have caused significant disruption in Dow's operations on the U.S. Gulf Coast, logistics across the region, and the supply of certain raw materials, which had an adverse impact on volume and cost for some of Dow's products. Due to the Company's substantial presence on the U.S. Gulf Coast, similar severe weather in the future could negatively affect Dow's results of operations. Hurricanes Gustav and Ike, which hit the U.S. Gulf Coast in 2008, caused temporary outages for several of the Company's Gulf Coast production facilities, resulting in \$181 million in additional operating expenses. To mitigate risks associated with severe weather, Dow has engineered the facilities to better withstand these events. Additionally these sites have specific Emergency Preparedness plans that detail actions to take in the event of severe weather.

While the Company may face risks associated with climate change, opportunities also arise. As highlighted in a recent CDP report, despite having no federal regulatory price on carbon in the U.S., Dow is one of only 29 major companies incorporating a carbon price into its business planning and risk management strategies. Through Dow's energy efficiency programs and focused GHG management efforts, the Company has significantly reduced its GHG emissions footprint. The Company's manufacturing energy intensity, measured in BTU per pound of product, has improved approximately 39 percent since 1990, saving the Company over 6,000 trillion BTUs. Since 2005, annual absolute energy use has been reduced by 110 trillion BTUs. The Company's cumulative savings since 2005 is about \$412 million. Since 1990, Dow has prevented over

320 million metric tons of GHG emissions entering the atmosphere, reducing the Company's absolute emissions footprint by more than 35 percent. As part of our 2015 Sustainability Goals, Dow will maintain GHG emissions below 2006 levels on an absolute basis for all GHGs.

Dow's Energy business and Public Affairs and Sustainability functions are tasked with developing and implementing a comprehensive strategy that addresses the potential challenges of energy security and GHG emissions on the Company. The Company continues to elevate its internal focus and external positions – to focus on the root causes of GHG emissions - including the unsustainable use of energy.

Dow's energy plan provides the roadmap:

- Conserve aggressively pursue energy efficiency and conservation
- Optimize increase and diversify energy resources
- Accelerate develop cost-effective, clean, renewable and alternative energy sources
- Transition to a sustainable energy future

2014 Responsible Care® Winning Team: Sustainable Business Opportunity Workshop





Team members: Christianne Canavero, Samir Moyses, Paula Ramos, Caio Sedeno, Florencia Boccio, Paula Garcia Holley, Juan Martinez, Gabriel Rodriguez Garrido.

2012 - Sustainable Business Platform launched

 Provide market solutions for customers' sustainability challenges (i.e. raw material, water and energy efficiency, and environmental/social impacts of their operations and products)

2013 – Sustainability as a Business Opportunity Workshop launched with Commercial, Technical Service and Development and Marketing

- The workshop addresses customers' sustainability challenges while improving relationships with them.
- Key customers shared opportunities of ways to integrate sustainability to the business strategy and presented cases developed in partnership with Dow
- The initiative engaged more than 200 employees

This project improved not only the awareness of how sustainability can represent a business opportunity to Dow, but also how we can expand the Sustainable Business Platform by bringing new products to the pipeline that have already brought more than \$11 million (USD) to the Company in 2014.

At the end of 2014, Dow signed a long-term agreement with a new wind farm under development by Bordas Wind Energy in South Texas to purchase up to 200 megawatts of wind generated electricity for Dow's Texas Operations in Freeport. Freeport is the largest integrated chemical manufacturing complex in the Western Hemisphere and the wind farm will encompass nearly 35,000 acres of land and annually supply an amount of electricity to the Freeport site that could power more than 55,000 Texas homes.

This deal represents an innovative milestone for Dow – being the first chemical company in the U.S. to power a manufacturing site with renewable energy at this scale – and it makes Dow the third largest corporate purchaser of wind energy in the U.S. Access to a reliable supply of cost-effective energy is a key ingredient to revitalizing manufacturing in America. Adding renewable energy to Dow's manufacturing process is just one smart move that the Company can make to secure a future of sustainability, growth, and long-term competitive advantage.

The widespread impact of climate change extends well beyond energy production. It creates huge markets for Dow's products and solutions. Through our science and technology capabilities, Dow is committed to bringing solutions to enable a sustainable energy future by producing products that help others reduce GHG emissions. For example, compared to current best-in-class water purification membranes, one of Dow's Breakthrough to World Challenges, FILMTEC™ ECO Membrane Modules filter out 40 percent more salt from water, while consuming 30 percent less energy than industry standard RO elements. In the building and infrastructure sector, 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. STYROFOAM™ insulation from Dow is installed in over 20 million buildings worldwide, saving over \$10 billion in energy costs annually. DOWTHERM™ A Heat Transfer Fluids are used in 35 large, concentrating solar power plants, with a total capacity of over 700 megawatts. These plants will provide enough electrical generation capacity to meet the needs of more than one million homes at a savings of close to 4 million metric tons of carbon dioxide emissions per year. To better quantify the benefits, Dow is extensively studying the life cycle impact of its products on climate change and additional global projects that could improve the Company's overall GHG emissions footprint. Dow has also estimated the GHG emissions for our entire upstream supply chain and the downstream use of selected products. See the Protection Our Planet section for more information on Dow's comprehensive life cycle assessment approach.

The challenge of climate change is tremendous. No company, government or organization can solve it alone. As Dow moves deeper into the end-user market, this challenge provides a significant opportunity for Dow to partner with its customers. For example, Dow Automotive Systems is proud to be the structural adhesives supplier for the 2015 Ford F-150, which launched in November. With a front-end, cab, box and tailgate made out of aluminum alloy and a frame made out of high-strength, lightweight steel, the F-150 utilizes BETAMATE™ Structural Adhesives for durability, weight reduction and improved manufacturing efficiencies. As a newly announced Breakthrough to World Challenges, BETAMATE™ Structural Adhesives are an enabling technology for dissimilar material assembly, representing a breakthrough solution addressing energy and climate change, as well as safety and health. This technology demonstrates Dow's commitment to supplying solutions that meet specific customer needs and product specifications. Since inception, BETAMATE™ Structural Adhesives have already contributed to an estimated 23 million metric tons of CO₂ avoidance and

10 billion liters of gasoline savings, while delivering a tangible return to Dow and its shareholders, increasing our overall industry visibility as well.

Dow's leadership in addressing climate change is extended to the Company's position as a Worldwide Partner of the International Olympic Committee (IOC). As the Official Carbon Partner of the Organizing Committees of the Sochi 2014 Olympic Winter Games and of the Rio 2016 Olympic Games, Dow helps the local organizers to promote and stage the Games with reduced impact on climate and a positive social legacy. Building on the expertise and success of the "Sustainable Future" program implemented at the Sochi 2014 Olympic and Paralympic Winter Games, Dow designed a tailor-made program to address the technology needs for Brazil while generating climate benefits through the mitigation of the carbon footprint of the Rio 2016 Olympic Games. As the Official Carbon Partner of Rio 2016, Dow will mitigate 500,000 tons of CO₂ equivalents (CO₂eq) from organizing and hosting the Games through third party-verified emissions reductions. Dow and Rio 2016 will also work to generate an additional 1.5 million tons of CO₂eq in climate benefits by 2026, addressing other Games-related emissions.

As of today, the total annual sales of products providing significant energy and GHG benefits exceed \$30 billion, which accounts for more than 60 percent of Dow's revenue. Dow will continue to focus on managing its energy and GHG emissions footprint and delivering solutions to help our customers manage theirs.

See the Dow CDP report for 2015 for more information.



Coverage of the organization's defined benefit plan obligations (G4-EC3)

Dow offers defined benefit pension plans in several countries where defined benefit plans are common. The largest of these plans are in the U.S, 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/or 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 U.S. 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, 2014, for Dow's significant defined benefit plans was \$28.0 billion with an aggregate fair value of assets of \$19.6 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.



Significant financial assistance received from government (G4-EC4)

Funding Program	Program Title	Government Support (\$ million)
Australian National	Next generation high sensitivity polymeric Extreme Ultraviolet (EUV) resists Photolithography polymers	0.4
Dutch National	Lower olefins from Synthesis Gas using supported iron catalysts coping with the challenges of selectivity and stability	1.1
Dutch National	Catalysis for Sustainable Chemicals from Biomass	24.1
Dutch National	Heterogeneous catalysis in structured reactors	1.5
European Commission	Dynamics of Architecturally Complex Polymers	5.1
European Commission	Economically and Ecologically Efficient Water Management in the European Chemical Industry	15.0
European Commission	Sustainable multifunctional coating resins for scavenging applications	0.6
European Commission	Innovation Demonstration for a Competitive and Innovative European Water Reuse Sector	8.1
European Commission	The Electric Vehicle Revolution enabled by advanced materials highly hybridized into lightweight components for easy integration and dismantling providing a reduced life cycle cost logic	11.6
European Commission	Innovative tools, methods and indicators for optimizing the resource efficiency in process industry	5.2
European Commission	Building Active Steel Skin	0.9
European Commission	Disruptive technology to dramatically improve Energy Efficiency of Household Appliances	2.6
German National	New encapsulation foils for photovoltaic modules	0.4
German National	Light and resource-efficient electric car bodies in multi-material construction method	5.7

Funding Program	Program Title	Government Support (\$ million)
German National	Leverage High Pressure RTM manufacturing technology into Aircraft application	1.4
German National	Development of an aerospace qualified, fast curing Epoxy resin system with specific bi-staged rheology profile; target application and validation technology is Pultrusion-RTM	0.5
Spanish National	Research into treatment, recycling and control technologies for future water purification sustainability (ITACA)	15.7
UK National	Circular Economy for Flexible Packaging	0.6
US-BOR	Membrane Structural and Transport Fundamentals for Augmenting Traditional Water Supplies	0.1
US-BOR	New or Improved Polyamide Membranes and Associated Processes and Technologies	1.7
US-DOE	US China Clean Energy Research Center (CERC): "Operationalize a U.S. China Building Energy Efficiency Center"	12.5
US-DOE	Developing Cool Roof Technologies	2.0
US-DOE	CERC-B Cool Roof CRADA: Development of a Long Life Cycle, Highly Water Resistant, Solar Reflective Retrofit Roof Coating	0.5
US-DOE	Transformational Approach to Reducing the Total System Costs of Building Integrated Photovoltaics	12.8
US-DOE	Development of Modified PAG (Polyalkylene glycol) High VI High Fuel Efficient Lubricant for LDV Applications	0.3
US-DOE	Scale-up of novel low cost Carbon Fibers leading to high volume commercial launch	9.0
US-NSF	Development and Application of Monte Carlo Simulation Tools for HILIC, Ion Chromatography, and SERS Chemosensor	0.5

^{*}The dollar figure listed is the value of the direct government support for the total program. Several programs have multiple participants along with Dow. These programs were active in 2014; however, many are multiplear.

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



Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation (G4-EC5)

Dow offers employees competitive base pay, which is determined through a salary survey process. This process benchmarks compensation at our peer companies and helps Dow maintain employee pay that is tailored to geographically competitive standards. The entry-level wage varies based on job role, experience and responsibility. The entry level wage is not dependent on 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. See the G4-52 for a full description of the process for determining remuneration at Dow.

Entry level wages are offered in accordance with the value of the work being performed in a similar job, at a similar company, in a similar location, in the external marketplace. The Company does not currently benchmark against minimum wage.

Economic Impact



Proportion of senior management hired from the local community at significant locations of operation (G4-EC6)

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

In 2014, we hired 3,698 people around the world, excluding acquisitions, rehires and returns from leave. 88 percent of hires were local (employee hired in their country of citizenship). Areas with a significant growth emphasis accomplished a very high percentage of hires from within the respective country: China (99 percent hired have a Chinese citizenship), Korea (100 percent), and India (100 percent). 80 percent of all senior management who have significant responsibilities for business, function and geography hiring in 2014 was in-country. A total of five external candidates were hired into senior management positions, four were in-country and one was not.

Indirect Economic Impacts

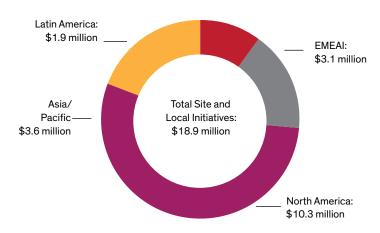
Manufacturing is an incredibly powerful economic engine because it produces more value across the economy per dollar spent than any other economic sector, creates more jobs, and drives innovation that produces new goods that can fundamentally change the world.

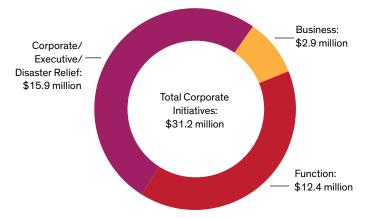
Dow, as a global leader in manufacturing, has a vision of how government and policy stakeholders can reinvigorate economies, reform regulations, enable long-term trade policies, educate a 21st century workforce, create a cleaner energy future, and cultivate a more competitive marketplace.



Development and impact of infrastructure investments and services supported (G4-EC7)

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 2014, Dow and The Dow Chemical Company Foundation contributed \$50.1 million to hundreds of programs globally. In-kind contributions for product were valued at an additional \$6.6 million and \$395,000 for equipment.





"At Dow AgroSciences, we are focused on feeding a growing world by discovering and developing science-based solutions that address the need to increase our global food supply. We will do this through a focus on the preservation of our natural resources. This happens through our many collaborations, which also contribute to our communities' success in many sustainable ways – whether we are helping to increase agricultural productivity, managing responsible operations, or serving as ambassadors to the next generation of scientists."

- **Tim Hassinger**President and Chief Executive Officer, Dow AgroSciences



Habitat for Humanity

What began as a modest, employee-led grassroots effort has grown into one of Dow's most significant service initiatives and one of



Partners in building since 1983

Habitat's longest corporate relationships. Dow was Habitat's first national corporate partner in 1983, and the collaboration is leaving a legacy of not just building homes, but providing affordable, energy-efficient homes for low-income families in communities around the globe. Dow supports Habitat through house sponsorships, product donations and employee volunteerism at builds.

Dow is the official insulation and air sealing product supplier for all Habitat builds in North America. By donating energy-saving products like STYROFOAM™ Brand Insulation, GREAT STUFF PRO™ Insulating Foam Sealants and FROTH-PAK™ Foam Insulation and Sealant Kits, Dow is helping Habitat give new homeowners the opportunity to reduce monthly utility bills by reducing their home's overall natural gas and electricity usage.

In 2014, we have contributed:

- 1.751 Dow volunteers
- 10,704 volunteer hours
- 123 build days
- 355 Habitat homeowners served

Visit Dow's Habitat website to review the list of <u>past builds</u> or explore the interactive build map.

Dow's Texas Operations Major Expansion

Dow's Texas Operations is leading the way for economic development in the area with an exciting period of growth for the first time in decades. While construction of a world-scale propylene production plant in Freeport is moving at a steady pace, in nearby Lake Jackson a new R&D facility, the Texas Innovation Center, is being built to house state-of-the-art laboratory facilities and technical expertise centers.

With these large construction projects, our commitment to the area and the community is clear. On a smaller scale, we also show our commitment to the community every day by supporting local organizations and the people they impact. We are dedicated to being good neighbors – investing our time and talent in the programs that make a difference in people's lives.

In 2011, Dow announced comprehensive plans to increase the company's ethylene and propylene production, a plan representing a \$4 billion investment in the Company's Gulf Coast operations in both Texas and Louisiana. The increased production will be used to strengthen high-growth, high-margin businesses.

In 2012, Dow announced it would construct a new world-scale ethylene production facility at Dow's Texas Operations. Most of this new capacity will serve growth markets in North America and Latin America, and will provide a cost advantage to a wide range of differentiated, high-margin products. Construction is expected to begin this year and the project is scheduled to start up in 2017.

And just last year, Dow announced that four new world scale, state-of-the-art production units to support its high value Performance Plastics franchise will be constructed in the U.S. Gulf Coast region over the next several years. They will produce Dow's new, industry leading products and serve customers in North and Latin America and some global markets. At its Freeport location Dow will expand its High Melt Index (HMI) AFFIINITY™ and ELITE™ brand polymer franchises with two new production facilities.

All of this activity is resulting in construction jobs in the near-term and will lead to more than 300 permanent Dow jobs in the long-term. Just as important, the expansion of Dow's Texas Operations reinforces the strategic importance of Texas to Dow globally. "For the first time in two decades, Dow's Texas Operations is experiencing an exciting period of growth," says Earl Shipp, vice president of U.S. Gulf Coast Operations. "The investments the Company is making in our site are proof of Dow's strategic business model and long-term commitment to the Brazosport community."

The petrochemical industry is a substantial creator of jobs. These jobs also provide top tier salaries. In communities along the Louisiana Gulf Coast, jobs in petroleum refining provide the highest weekly wages in the state. Chemicals manufacturing provides the second highest. This is one reason why the unemployment rates of Texas and Louisiana do not trend with large U.S. unemployment rates.

EC⁸

Significant indirect economic impacts, including the extent of impacts (G4-EC8)

Studies conducted by the American Chemistry Council (ACC) have shown that each job in the U.S. chemical industry generates nearly eight additional jobs in the overall economy and every dollar of energy used in the U.S. chemical industry creates upwards of \$8 of added value in the overall economy.

Dow continues to build on its strong community foundation by actively identifying, understanding and responding to external expectations of corporate responsibility. We do so through proactive engagement with stakeholders at the global, regional and local levels, by grounding our business decisions in sustainability and citizenship principles, and by using our capabilities and resources to meet societal expectations. Dow's established corporate citizenship program illustrates our commitments through preserving and investing in communities, creating products to advance human progress, and generating shared value through philanthropic efforts around the world.

Our efforts center on using skills-based employee engagement, traditional volunteerism, charitable contributions and product or technology donations to demonstrate a commitment to our communities.

Driving the Workforce of Tomorrow through STEM

Future prosperity, both for the Company and for society as a whole, is in the hands of today's students. Dow is committed to nurturing that future through comprehensive support for education, especially in the areas of science, technology, engineering and math (STEM). Dow believes the long-term viability of the global economy requires a worldwide workforce with advanced skills in STEM fields. With involvement from leaders at the highest levels of the organization, Dow has developed and implemented a STEM education strategy that focuses on four pillars: empowering teachers, motivating student achievement, developing careers, and collaborating with communities to transform education into a driver for sustained innovation and prosperity.



Beside the effort on STEM Education, our Corporate Citizenship programs also focus on the areas: Contributing to Community Success, Dow Sustainability Corps, and strategic collaborations and signature programs such as Habitat for Humanity, Keep America Beautiful and many others. Read Dow's Corporate Citizenship Report to learn our ever-evolving corporate citizenship journey.

Each year, students and teachers in Dow communities are impacted by the Company's STEM commitments around the world, such as FIRST® Robotics in the U.S., the Dow Challenge and Battle of Concepts in Brazil; the Chemical Engineering Prize in Australia; Schwarzman Scholars in China; Swiss Future Day; Multiply the Message in India; the Chemistry of Teaching program in Turkey and many others.

Key to Dow's STEM education support is the involvement of Dow employees, who possess both technical knowledge and passion that are indispensible in engaging students. Dow employees have a long history of involvement in education efforts, large and small, in their communities. Building on that legacy, the Company in 2014 launched its Dow STEM Ambassadors program around the world, encouraging employees to volunteer in STEM education outreach and providing organization and resources to maximize the effectiveness of that outreach. Dow STEM Ambassadors chapters are located in a growing number of Dow communities, driving student inspiration for STEM, with the goal of increasing the number of young people pursuing STEM careers.





Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation (G4-EC9)

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.

Purchases from local-based suppliers vary significantly based on factors such as availability of materials. Results are given by state and by country, and exclude internal (Dow-to-Dow) transactions. The sites reported on the right are the same as those found in SO1 and tracked as part of Dow's Community Success goal.

Local Purchases

Site Location	Country	State	Country
ARATU	Brazil	86.0%	98.3%
FREEPORT, TEXAS	USA	57.0%	94.6%
MIDLAND, MICHIGAN	USA	4.0%	92.4%
PITTSBURG, CALIFORNIA	USA	22.1%	93.4%
PLAQUEMINE, LOUISIANA	USA	18.5%	95.6%
RHINE CENTER	Germany	3.3%	87.5%
STADE	Germany	6.1%	50.6%
TERNEUZEN	The Netherlands	28.9%	88.1%
ST. CHARLES, LOUISIANA	USA	20.4%	96.2%







Environmental Summary (G4-DMA)

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

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 aspects 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.

Sustainable Chemistry

Dow recognizes that chemistry can enable development of solutions to many of today's most pressing problems. To help strengthen this link between our science-based solutions and these global challenges, Dow created our sustainable chemistry concept, which applies life-cycle thinking to help evaluate the sustainability value delivered by its product and solutions. A key component of Dow's 2015 Sustainability Goals, this concept has helped Dow to drive a culture change toward understanding more holistically how its products and technology can address these global challenges.

As part of its 2015 Sustainable Chemistry goal, Dow developed the Sustainable Chemistry Index (SCI), a metric used to assess the relative sustainability performance of our product portfolio based on the sustainability attributes of our products. The SCI defines the 2015 Goal target, which is to achieve 10 percent of the Company's sales from products "highly advantaged" by sustainable chemistry.

Building on the increasing sustainability momentum in our businesses since 2007, in 2014 Dow delivered 22.4 percent (\$13 billion) of sales from products that are highly advantaged by Sustainable Chemistry. This result surpasses the aggressive 10 percent target by more than twofold. The Company's aggregated SCI increased from 20.4 to 25.0 since 2007. Across the Company, these solutions have brought sustainable chemistry to life, from improving manufacturing efficiency, to applications that enable energy efficiency, waste reduction and healthier food options. Dow measures its percentage of sales "highly advantaged" by Sustainable Chemistry using the SCI. The index was developed as a tool for tracking the relative sustainability performance of its global product portfolio, and for generating product sustainability awareness and life cycle insight. Comprising a set of sustainability-related questions, the SCI spans the full

cradle-to-grave product life cycle; addresses environmental, social, and economic aspects; and highlights sustainability opportunities and risks associated with the Dow products.

Local Protection of Human Health & the Environment

We strive to prevent adverse environmental and health impacts, reduce waste and emissions, and promote resource conservation at every stage of the life cycle of our products. As an example, our commitment to environmental footprint reduction includes reducing company-wide emissions of volatile organic compounds (VOC), Nitrogen Oxides (NOx), and priority compounds by 30 percent by the end of 2015 from a 2005 baseline.

Dow has always encouraged waste minimization, broadly defined to include efforts that reduce waste generation in a manufacturing unit and pollution prevention efforts in the R&D stage to prevent future generation of waste. To further encourage this behavioral shift, Dow created a separate award level for by-product synergy projects within the existing corporate waste reduction awards program. Every year, Dow recognizes hundreds of individuals through the Waste Reduction Always Pays (WRAP) award program for their efforts to reduce waste. Encouraging a culture of valuing our raw materials and rewarding individuals for positive behaviors are keys to a successful waste reduction goal. The WRAP program has recognized individual projects since 1995, with a total projected value greater than half a billion dollars, and by-product synergy projects, as part of the 2015 goal, that represent more than \$100 million of projected value. This value was generated through new margin and/or cost avoidance resulting from by-product synergy projects.

Energy Efficiency & Conservation and Addressing Climate Change

Dow's efforts in Energy Efficiency & Conservation and Addressing Climate Change have significantly reduced the Company's energy consumption and greenhouse gas (GHG) emissions. The Company's manufacturing energy intensity, measured in BTU per pound of product, has improved approximately 39 percent since 1990, saving the Company more than 6,000 trillion BTUs. Dow's portfolio transformation, coupled with global economic conditions, has impacted the scale and speed of anticipated energy intensity reductions. Since 2005, annual absolute energy use has been reduced by approximately 110 trillion BTUs. Dow's goal on climate change is to maintain GHG emissions below 2006 levels on an absolute basis for all GHGs, thereby growing the

Company without increasing our carbon footprint. While the revenue of the Company increased from \$49 billion in 2006 to \$58 billion in 2014, our GHG emissions were reduced from 47 to 35 million metric tons per year, more than 12 million metric ton per year below the 2006 level. Dow will continue to focus on managing its footprint and delivering solutions to help our customers manage their footprints. For example, Dow's insulation products contribute to greater energy efficiency, helping avoid millions of metric tons of GHG emissions per year.

Valuing Ecosystems

A priceless resource, nature brings a myriad of benefits to society and business. Since resources like water are often available at little or no cost, these benefits can be difficult to quantify, making them easy to take for granted – until they're gone.

Dow recognizes and appreciates the value of nature and the benefits it provides to business. Using a concept known as "ecosystem services valuation," Dow has undertaken significant efforts to incorporate the value of nature into our operations, replacing manmade or "gray" infrastructure with natural, "green" infrastructure options where available - such as a constructed wetland that can treat wastewater versus building a new water processing plant. We have furthered the use of engineered natural technologies within our own operations, benefitting nature and society while also meeting business needs in an innovative way.

In a landmark collaboration launched in 2011, Dow and The Nature Conservancy (TNC) came together to undertake an experiment to incorporate the value of nature into business decisions. Together, Dow and TNC set an ambitious goal – to develop and apply methods to evaluate the benefits nature provides and create a strategic way for companies to assess, incorporate and invest in

nature and these benefits. Ultimately, the Collaboration seeks to expand the benefits beyond Dow to the business community, helping all of us recognize, calculate and incorporate the value of nature into business decisions, strategies and goals – by demonstrating value through three pilot projects and building easy-to-use valuation tools that can be leveraged by a variety of organizations.

Several ongoing initiatives – from a green infrastructure project at the Dow-owned Seadrift Operations site in Texas, to work conducted around the world as part of Dow's Collaboration with The Nature Conservancy – demonstrate the Company's progress in this area. Dow and TNC are also honored to have received the 2013 Roy Family Award for Environmental Partnership from the Harvard Kennedy School for the Collaboration. See Aspect Biodiversity, EN11 – EN14, 2014 Dow-TNC Progress Report, and 2013/2014 Dow's Global Conservation Reports.

Delivering More with Less

A critical part of our drive to return value to shareholders is our ongoing focus on productivity. We drove productivity programs in every part of the organization — shedding non-strategic assets such as our railcar fleet, and since 2012, shutting down 27 facilities and achieving more than \$200 million in fixed cost reductions. In 2015, we expect to achieve \$300 million in productivity improvements — part of the three-year, \$1 billion commitment we made in November. In addition, with five quarters in a row of increasing operating rates as our proof point, Dow's 2014 operating performance was solid on every front — including record environmental health and safety achievements. Considering our operating leverage of more than \$200 million for every 1 percent improvement in operating rates, it is clear Dow is well positioned to capture significant upside in our operating income as demand responds to lower oil prices — which we view as a tailwind for global demand and our products.

Environmental Policies

Dow is committed to world-class EH&S performance, as demonstrated by industry-leading performance, a long-standing commitment to Responsible Care®, and a strong commitment to achieve the Company's 2015 Sustainability Goals – goals that set the standard for sustainability in the chemical industry by focusing on improvements in Dow's local corporate citizenship and product stewardship, and by actively pursuing methods to reduce the Company's environmental impact.

To meet the Company's public commitments, as well as the stringent laws and government regulations related to environmental protection and remediation to which our global operations are subject, Dow has well-defined policies, requirements and management systems. Dow's EH&S Management System ("EMS") defines the "who, what, when and how" needed for the businesses to achieve the Company's policies, requirements, performance objectives, leadership expectations and public commitments. To ensure effective utilization, the EMS is integrated into a company-wide management system for EH&S, Operations, Quality and Human Resources.

It is Dow's policy to adhere to a waste management hierarchy that minimizes the impact of wastes and emissions on the environment. First, Dow works to eliminate or minimize the generation of waste and emissions at the source through research, process design, plant operations and maintenance. Second, Dow finds ways to reuse and recycle materials. Finally, as the last option, waste is treated/disposed. Treatment may include destruction by chemical, physical, biological or thermal means. Dow has specific requirements for waste that is transferred to non-Dow facilities, including the periodic auditing of these facilities.

Dow believes third-party verification and transparent public reporting are cornerstones of world-class EH&S performance and building public trust. Numerous Dow sites in Europe, Latin America, Asia Pacific and North America have received third-party verification of Dow's compliance with Responsible Care® and with outside specifications such as ISO-14001. Dow continues to be a global champion of Responsible Care® and has worked to broaden the application and impact of Responsible Care® around the world through engagement with suppliers, customers and joint venture partners.

Dow's EH&S policies and programs helped the Company achieve excellent EH&S performance in 2014. Dow's injury/illness rates and process safety performance were excellent in 2014, and the Company is favorably positioned to achieve its 2015 Sustainability Goals in these key areas. Further improvement in these areas, as well as environmental compliance, remains a top management priority, with initiatives underway to further improve performance and compliance in 2015.

Detailed information on Dow's performance regarding environmental matters and goals can be found online on Dow's Sustainability webpage at dow.com.

Life Cycle Thinking at Dow

Life Cycle Assessment (LCA) is an excellent methodology for examining the total environmental impact of a product or service. Rather than focusing on a single process, LCA takes a holistic view, examining environmental impacts over the complete "cradle to grave" product life cycle. Results from LCA address the complete environmental impact of a product, and are more meaningful than those obtained for a single process or step in the life cycle. A life cycle perspective helps to ensure that environmental burdens are not unintentionally transferred from one life cycle phase to another during process improvement, and thus helps to prevent unintended environmental consequences. Dow applies life cycle thinking across the entire portfolio. We accomplish this by having a suite of tools and metrics that can be used as appropriate across the broad spectrum of Dow products. These include:

- 1. Full LCAs are conducted in Dow to both direct R&D and to support public disclosure of comparative assertions, following ISO 14040 and related standards.
- 2. Screening LCAs are done as a preliminary step in all full LCA, and are conducted in Dow on many more projects to provide direction to R&D groups and business units.
- 3. As part of Dow's 2015 Sustainable Chemistry goal, Dow created and uses a broad "Sustainable Chemistry Index" (SCI) on all of our sales.
- 4. The Dow Chemical Sustainability Footprint Tool® is used widely in Dow's R&D and is publicly available to Dow customers. This tool considers all stages of the value chain to show if the successful commercialization of the project should to lead to a more sustainable service delivered to an end user.

Dow management expects LCA and life cycle thinking to be included in decisions and supports the development of LCA expertise and awareness throughout the company.



The management structure and responsibilities are: Neil Hawkins, Corporate Vice President and Chief Sustainability Officer, reports to Jim Fitterling, Vice Chairman, Business Operations who reports to Andrew Liveris, President, Chief Executive Officer and Chairman of the Board. Each business has a Global Product Sustainability Leader, who, together with a global team, is responsible for implementation of the business global product stewardship program. These leaders report to the Director of Global Product Sustainability and Compliance.

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 2014 10-K.
- Our Commitments to Sustainability, including the environment, can be found on dow.com.

Environmental Performance Indicators

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



Materials used by weight or volume (G4-EN1)

The Company operates in an integrated manufacturing environment. Basic raw materials are processed through many stages to produce a number of products that are sold as finished goods at various points in those processes. The two major raw material streams that feed the integrated production of the Company's finished goods are chlorine-based and hydrocarbon-based raw materials.

Salt, natural brine and electricity are the primary raw materials 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 produces a portion of its electricity needs in Louisiana and Texas; Alberta, Canada; and Germany. The Company purchases hydrocarbon raw materials including ethane, propane, butane, naphtha and condensate as feedstocks. These raw materials are used in the production of both saleable products and energy. The Company also purchases certain monomers, primarily ethylene and propylene, to supplement internal production. The Company purchases natural gas, primarily to generate electricity, and purchases electric power to supplement internal generation. Expenditures for hydrocarbon feedstocks and energy accounted for approximately 38 percent of the Company's production costs and operating expenses for the year ended December 31, 2014. The mass of materials shipped in final products (direct materials) was of the magnitude of 65 million metric tons.



Percentage of materials used that are recycled input materials (G4-EN2)

Dow has always encouraged waste minimization, broadly defined to include efforts that reduce waste generation in a manufacturing unit and pollution prevention efforts in the R&D stage to prevent future generation of wastes. Dow's strategy is defined by a Waste Minimization Hierarchy, which fundamentally includes:

- Source reduction
- Use, reuse or recycle at or near the point of waste generation
- Use, reuse or recycle external to the site or company generating the waste
- Waste treatment
- Proper disposal

Dow is nearing the end of its second set of long-term corporate sustainability goals, in which waste reduction has been a priority for the company. Compared to a 2005 baseline, the total waste from operations in 2014 was reduced by 9 percent. The company began exploring by-product synergy (BPS) as an additional goal to identify new opportunities for waste minimization and close-to-full resource utilization. Instead of disposing of them as waste, the BPS effort matches undervalued by-product streams from one facility with potential users at another facility to create new revenues or savings with potential social and environmental benefits. As an example, Dow's Chlorinated Organics business recovers chlorinated by-product streams and turns them into raw materials for

"Dow Elastomers, Electrical and Telecommunications leverages our market knowledge, customer intimacy and technology to create innovative solutions in the markets we serve. Sustainability is often an enabling component for growth and value creation across the value chain. Value creation in the form of "reducing, reusing or recycling" delivers economic, environmental and societal value across many markets and applications we serve ranging from Transportation to Consumer Durables to Power"

- Kim Ann Mink, Ph.D.,

Business President, Dow Flastomers, Electrical and Telecommunications



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 to avoiding disposal of hundreds of railcars of waste annually.

The Company leadership took its commitment to BPS a step further by setting a goal to implement 300 million pounds of new by-product synergy globally between 2005 and 2015 to effectively steward raw materials and limit waste.

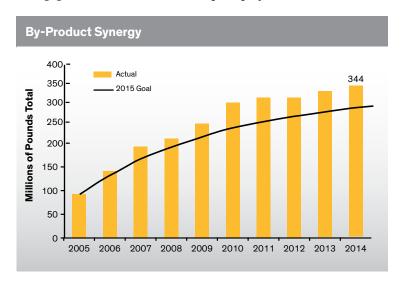
BPS was not a new concept in 2005; in fact, companies like Dow have been effectively recycling by-product streams into other processes internally to recover value for decades. However, when leadership at Dow identified BPS as a valuable tool to create revenue, generate savings, and reduce our environmental footprint, the Company saw a significant improvement to the bottom line. After the BPS goal was set, Dow formed a cross-functional team comprising expertise from supply chain, sales, environmental regulation, and engineering to work on the opportunity. Brought together in pursuit of a common, long-term goal, the team developed a work process to engage the various internal stakeholders required to transform what was once considered a waste into a raw material that could be used at another Dow facility or sold into a secondary market. By creating a system and streamlining the process, the BPS team was able to identify opportunities and complete projects more efficiently.

Dow leadership had selected an attractive goal: a cumulative, quantitative metric that would drive progress and incentivize the business units and support functions within the company to engage with the BPS team to complete projects. In addition,

the business units would reduce storage, treatment, and disposal costs, as well as receive revenue when the team identified sales opportunities for by-products. To further encourage this behavioral shift, Dow created a separate award level for BPS projects within the existing corporate waste reduction awards program. Every year, Dow recognizes hundreds of individuals through the Waste Reduction Always Pays (WRAP) award program for their efforts to reduce waste. Encouraging a culture of valuing our raw materials and rewarding individuals for positive behaviors are keys to a successful waste reduction goal. The WRAP program has recognized individual projects since 1995, with a total projected value greater than half a billion dollars, and by-product synergy projects, as part of the 2015 goal, that represent more than \$100 million of projected value. This value was generated through new margin and/or cost avoidance resulting from BPS projects.

The results speak for themselves. Dow had identified and redeployed more than 344 million pounds of useable material by the end of 2014, exceeding its 2015 commitment three years early. This amount is equivalent to the annual solid waste from a US city of 200,000.

Many BPS success stories have been implemented across the globe and are generating value for the company as a result of taking a sustainable approach to operational challenges. By setting a measureable goal, developing a cross-functional work process, and providing reward and recognition for successful projects, Dow has established a foundation that will continue to generate value through reduction of the company's operational waste, now and into the future.



Aspect: Energy



Energy consumption within the organization (G4-EN3)



Energy will continue to be the catalyst for global economic growth and prosperity. The Company believes that a sustainable energy future is connected to innovative technologies and materials from chemistry. Industry plays a multi-faceted role in energy efficiency as an energy generator, consumer and manufacturer of energy-efficient

technologies. Dow has been a recognized pioneer and leader in industrial energy efficiency. Since 1990, Dow has reduced its energy intensity by approximately 39 percent, saving 5,829 trillion BTUs. Saving on energy costs allows companies like Dow to spend more on creating future technologies that enable other sectors to continue to improve energy efficiency. Dow's major sites rely on combined heat and power (CHP) plants, also called cogeneration, which convert waste heat into steam to product electricity. CHP is considered the most efficient way to produce steam and power. Cogeneration typically uses 20-40 percent less fuel than conventional power generation, while also reducing GHGs.

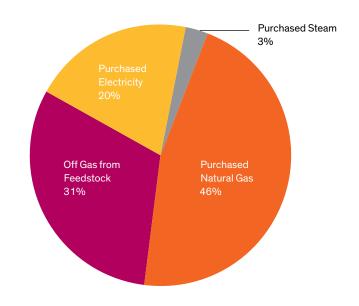
Energy improvements begin with a transparent energy statistics. Electricity, mechanical energy, and heat are different forms of energy. Simply adding different forms of energy together or comparing the amount of them is misleading. To ensure the complete transparency and comparability, all energy in Dow is reported as primary energy. According to U.S. Energy Information Administration, primary energy is in the form that it is first accounted for in a statistical energy balance, before any transformation to secondary or tertiary forms of energy (for example, coal is used to generate electricity). Primary energy accounting is consistent with US Department of Energy methodology and with ISO 50001 (Management System for Energy).

The direct energy consumed by the Company in 2014 was 417 trillion BTUs, or 440 million gigajoules. Approximately 60 percent of this direct energy was generated from purchased fuel gas and 40 percent was fuel from feedstock.

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 2014, the Company estimates that indirect energy to produce product came from power and steam totaled 145 trillion BTUs, or 153 million gigajoules. In addition to this energy for operations, Dow is consumes approximately 2.3 million gigajoules in lab and office space around the world.

Approximately 7 percent of Dow's purchased electricity is hydroelectric. The remaining 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.

2014 Source of Energy Consumed by Dow's Manufacturing Operations







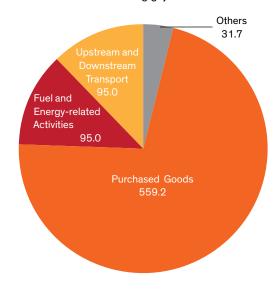
Energy consumption outside of the organization (G4-EN4)

Energy consumption outside of Dow occurs throughout Dow's upstream and downstream activities associated with its operation. The results are summarized in the figure to the right. The Economic Input Output (EIO) method applied to 2014 dollar expenditures was used to calculate most of the energy consumption outside of Dow. This is our best estimate of the energy consumption outside of the Company, although it is possible that the actual energy consumption outside of Dow with respect to each category could vary significantly.

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 energy consumption from joint ventures separately from scope of this report.

Energy Consumption Outside of Dow

in million gigajoules

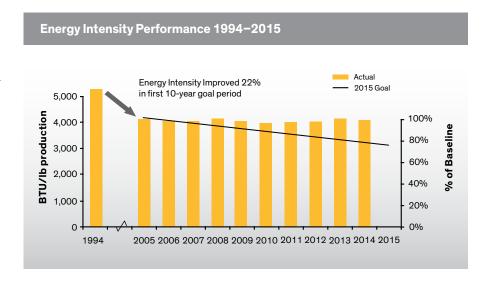




Energy intensity (G4-EN5)

By 2015, Dow has a goal to achieve an additional 25 percent improvement in Energy Intensity (BTU/lb produced), with average Energy Intensity for the year 2005, adjusted for mergers and acquisitions, used as the basis for calculating performance. Dow's goal for Energy Intensity for the full year of 2014 is 3,220 BTU/lb, or 77.5 percent of the value in 2005. Dow's actual performance of 2014 was 4,102 BTU/lb, which is 98.7 percent of the 2005 baseline.

Dow has reduced annual energy use by approximately 20 percent since 2005; however, we do not expect to achieve the level of performance we anticipated when our Energy Intensity goal was established. Dow's products can lead to significant energy reductions for our customers, and virtually every industry becomes more efficient through what we make and do. However, the Company is shifting toward higher-value, more technology-driven specialty products that are by nature more energy-intensive, and operating rates have also been reduced to match demand, resulting in less efficient asset use.





Reduction of energy consumption (G4-EN6)

A sustainable energy future requires us all to rethink the energy equation – working together as individuals, governments and businesses to develop breakthrough solutions for clean, sustainable and affordable energy. No one energy source can be viewed in isolation, and a comprehensive approach is best. Dow's integrated approach to energy is represented through the acronym COAT:

1. Conserve by aggressively pursuing energy efficiency and conservation

- Improve the energy efficiency of buildings through updating building codes, adopting a building energy performance rating system, and offering financing mechanisms to stimulate investment in energy efficiency.
- Encourage investment in demand-side utility investment and provide mechanisms for timely recovery of costs, while establishing criteria to judge and award utility performance.

2. Optimize, increase and diversify domestic hydrocarbon resources

 Maintain a balanced natural gas market by ensuring that policy does not accelerate natural gas demand ahead of supply.

3. Accelerate the development of cost-effective clean energy alternatives

- Consider that technology-neutral market approaches are far more cost effective than alternative measures such as Renewable Portfolio Standards or feed-in tariffs.
- Collaborate with energy-intensive industries to develop pricing structures that encourage manufacturing competitiveness while boosting generation from alternative and renewable sources.

4. Transition to a sustainable energy future

- Put in place policies and legislation that realistically set GHG emission reduction targets for all the major economies, recognizing that no economy, developed or developing, can afford to compromise growth.
- Whenever carbon policies are pursued, all contributing factors, including renewables and efficiency initiatives should be coordinated into a single policy framework focused on driving tangible greenhouse gas benefits at the lowest possible cost to society.

"Dow continues to make strategic decisions in Energy that are the right choices for business and the environment driving economic value for the Company."

- Mauro Gregorio
President, Feedstocks and Energy



The policies, technologies and businesses exist today to make this energy plan a reality. The Company's manufacturing energy intensity, measured in BTU per pound of product, has improved approximately 39 percent since 1990, saving the Company more than 6,000 trillion BTUs. Since 2005, Dow's annual absolute energy use has been reduced by approximately 110 trillion BTUs. The Company's cumulative savings since 2005 are about \$412 million.

Energy intensity improved 22 percent from 1994 to 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. We report our progress quarterly at the <u>Reporting Center</u>.

The following are examples of energy and emissions reduction initiatives in 2014:

 Dow signed a long-term agreement with a new wind farm under development by Bordas Wind Energy in South Texas to purchase up to 200 megawatts (MW) of wind generated electricity for Dow's Texas Operations in Freeport. Freeport is the largest integrated chemical manufacturing complex in the Western Hemisphere and the wind farm will encompass nearly 35,000 acres of land and annually supply an amount of electricity to the Freeport site that could power more than 55,000 Texas homes. This deal between Dow and MAP® represents an innovative milestone for Dow – being the first chemical company in the U.S. to power a manufacturing site with renewable energy at this scale – and it makes Dow the third largest corporate purchaser of wind energy in the U.S. The decision to use the power of the wind to make chemicals is a clear sign that the energy landscape in the United States continues to evolve. The agreement is consistent with the Dow Energy Plan to accelerate the development of cost effective, clean energy alternatives. It is also consistent with the goal of securing 400 MW of clean power by 2025.

- Dow joined forces with Energias Renováveis do Brasil to launch a pioneering project in the petrochemical industry: a cogeneration plant using energy based on eucalyptus biomass. With this new process, Dow's largest factory in the country - located in Aratu, State of Bahia - will diversify its energy matrix using renewable energy in an industrialscale plant, thus increasing operational flexibility and decreasing cost fluctuations. The Company's steam-andenergy cogeneration plant will address 25 percent of the energy consumed by Dow in Aratu, replacing 150,000 cubic meters of natural gas a day and reducing greenhouse gas emissions by 33 percent. In addition to the environmental benefits related to the use of biomass, the company selected a cogeneration structure because it poses no risk of interruption in the supply. The cogeneration model also provides high conversion efficiency and reduces energy loss during transmission, since the production unit is physically near the consumption unit, thus eliminating the use of extensive transmission lines.
- Construction continues on phase one of the new biopolymers manufacturing facility in Santa Vitória, Minas Gerais, Brazil. This project, which is a consolidated joint venture with Mitsui & Co. Ltd., was announced during the fourth quarter of 2011. The joint venture's ethanol mill is expected to process its first full harvest of sugarcane in 2015. See Dow 2014 10-K for the fiscal year ending December 31, 2014–PART II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations for additional information.
- Dow Barranquilla site leaders in Colombia are moving forward to improve on a project to cut energy use, save money and increase sustainability across the plant.

 The main goal in the current phase of the project is to implement an energy system for operational control and new processes and discipline that will guarantee improvement. The project will reduce energy consumption by almost 150,000 kWh per year and reduce gas



consumption by about 85,000 cubic meters per year. It also delivers savings of \$100,000 USD and reduction of more than 200 tons of CO_2 annually. The project value and success will be leveraged to make similar improvements at the Cartagena site in the near future.

- Dow was honored by the American Chemistry Council with two Responsible Care® Energy Efficiency Awards for innovative energy-efficiency projects at Deer Park, Texas, and Midland, Michigan, sites. Dow's award was in the category of "Significant Improvement in Manufacturing" for replacing mechanical refrigeration units at Deer Park, Texas, with technologically advanced machines that offer environmental, economic and reliability benefits and reduced energy usage by 48 percent. The other award came in the category of "Non-Manufacturing Improvement at a Plant Site" for improving building energy efficiency site-wide in Midland, Michigan. In 2013, the Building Champions program saved more than 10,000 million BTUs in Midland. The Company plans to expand the program globally.
- In Shanghai, an energy efficiency project has demonstrated how sustainability goals can be good for the planet and the bottom line. The Shanghai Dow Center (SDC) took a significant step to conserve energy and save costs with the "Fuel Switch Project," converting the boiler system from diesel to natural gas. In just one year, the project saved more than \$600,000. The project reduced CO₂ emissions by 70 metric tons, and SO₂ by 2 metric tons, as well as, saving on overall boiler fuel cost by 30 percent all savings that can be repeated and realized annually.



Reductions in energy requirements of products and services (G4-EN7)

All Dow Building Solutions insulation products improve energy efficiency, lower energy costs and continue to conserve energy through the life of the building with no additional maintenance required. Our STYROFOAM™ brand extruded polystyrene insulation, and also THERMAX™ and TUFF-R™ brand polyisocyanurate foam have Environmental Product Declarations (EPD) completed. In addition we have completed an EPD for our spray polyurethane foam line at the industry level through Spray Polyurathane Foam Association. The life cycle analysis performed in order to deliver the EPDs evaluate the environmental impacts (i.e. global warming potential, ozone depletion, smog creation, acidification, eutrophication) of the products along with the embodied energy. The EPDs will be used to continuously improve and make the products more sustainable in the areas of R&D, operation, manufacturing, supply chain, and energy generation. In addition STYROFOAM™ extruded polystyrene insulation is Silver Certified by the Cradle to Cradle® Certification program, a well-known eco-label that assesses a product's safety and environmental impact. Dow Building Solutions is also working on addressing the new Materials & Resources credits in Leadership in Energy and Environmental Design (LEED) version 4 through health assessments of their products and supply chain considerations.

The DOW POWERHOUSE™ Solar Shingle is a first-of-its kind solar roofing product, developed to combine the benefits of solar technology with the durability and performance of traditional roofing materials. POWERHOUSE is reinventing the roof with a new generation of homeowners looking for a smart, renewable way to power their homes without compromising the home's aesthetics. Building Integrated Photovoltaic (BIPV) products from Dow Solar are one of the many innovations from Dow establishing the Company on the forefront of alternative energy solutions and expanding Dow's commitment to using chemistry to solve the world's energy challenges. The first larger scale installation took place in October of 2011 on 50 new homes in Spring Mesa, Colorado. The popularity of DOW POWERHOUSE™ Solar Shingles continues to grow – and so does their availability in the U.S. and Canada. More information can be obtained at dowpowerhouse.com/.

BETAMATE™ Structural Adhesives are an enabling technology for optimized steel structures and dissimilar material assembly, where traditional joining techniques such as welding and riveting are limited in their applicability. Since their introduction in 1999, BETAMATE™ Structural Adhesives have already contributed to an estimated 23 million metric tons (MT) of CO₂ emission avoidance and 10 billion liters of gasoline savings.

DOW FILMTEC™ ECO Reverse Osmosis (RO) Elements are a breakthrough in polymer chemistry that surpasses the last three decades of incremental change in RO technology, representing some of the most advanced water purification science available in the fight against global water scarcity. Delivering 40 percent better purification with 30 percent less energy in industrial operations, Dow anticipates that as the new technology is adopted it will deliver trillions of metric tons of clean water, billions of kilowatt-hours (kWh) of energy savings, and reduce CO₂ emissions by more than a million metric tons in its first 10 years of use alone.

Dow Heat Transfer Fluids, notably DOWTHERM™ A heat transfer fluids, are used in concentrated solar power (CSP) plants to collect the heat energy and transport it to a power generating station. Today, more than 35 CSP plants filled with DOWTHERM™ A Heat Transfer Fluid provide enough electrical generation capacity to meet the needs of more than one million homes at a savings of close to 4 million metric tons of carbon dioxide emissions per year. In 2014, DOWTHERM™ A Heat Transfer Fluid from Dow was selected for two major CSP projects currently under construction in Morocco and South Africa. The consortium of Acciona, SENER and TSK was awarded the Engineering Procurement and Construction contract by Saudi-based ACWA Power to build the Noor 1 160MW CSP plants in Morocco and Bokpoort 50MW CSP plant in South Africa.

Dow Construction Chemicals launched a new technology that meets the growing demand for energy-efficient cool reflective roof coatings, or "cool roofs," in the Middle East. The new material will be manufactured at Dow's state-of-the-art production facility in Jebel Ali, United Arab Emirates, and is a critical component in cool reflective roof coating formulations. When applied to exterior roof surfaces, cool-roof coatings help reduce the amount of air conditioning required in hot climates by reflecting solar heat rather than absorbing. The new product is a water-based acrylic polymer designed specifically for the extreme warm temperatures, sun and dust commonly experienced in the Middle East. Elastomeric roof coatings formulated with the new material from Dow can reduce the cost of cooling a building by as much as 20 percent. The technology can also support refurbishment and improve the energy efficiency of existing buildings. Durable Cool Reflective Roof Coatings can also protect the roof from environmental degradation and help reduce the effect of peak temperatures and resulting mechanical stress, leading to an expanded lifetime for the roof. As an added benefit, applying cool reflective roof coatings can also help buildings in the Middle East achieve Leadership in LEED accreditation, thanks to their energy-saving capabilities.

For more information about Dow's products providing energy efficiency and emissions reduction benefits, please see the Product section at dow.com.



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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.

From developing countries to the most industrialized nations, Dow Water and Process Solutions (DW&PS) is providing sustainable solutions to drive business performance while advancing human progress. For more than 60 years, DW&PS' separation and purification technologies have helped make water cleaner and more accessible, food taste better, pharmaceuticals more effective, and industries more efficient. Dow technology is also vital to desalination and water reclamation efforts in communities with severe water shortages. DW&PS is constantly building upon, improving, and offering new technology to increase efficiency and performance, reduce energy intensity, and expand the end-user benefits of water purification technology.

Throughout 2014, DW&PS supplied innovative water solutions across regions and markets including:

- TEQUATIC™ PLUS Filter, R&D 100 Award winner, is a groundbreaking solution for treating difficult, highsolids water. The unique filtration device helps process a wide range of high-solids water, offering a cost-effective solution for wastewater treatment in industrial and reuse applications in the food and beverage, pulp and paper, textiles and laundry, and oil and gas markets. With higher uptime and water recovery, lower maintenance and consumables, as well as reduced waste disposal surcharges, TEQUATIC PLUS Filter is helping customers reduce their cost of ownership. The R&D 100 Awards identify and celebrate the top technology products of the year.
- Dow and Haier Group have commercialized the first ecofriendly washing machine enabled by DOW™ Ultrafiltration (UF) Technology. The washing machine is designed and built with the new DOW PURINZE™ Ultrafiltration Module, which facilitates a more than 30 percent reduction in water



consumption while improving water quality. The improved water quality of the new machine delivers exceptional cleaning performance. PURINZE™ UF modules remove as much as 99 percent of common bacteria during washing, which significantly improves hygiene and brings healthier clothes to the users.

- Announced in the fall of 2014, DW&PS will provide RO membranes for the Carlsbad Desalination Project the Western Hemisphere's largest seawater desalination plant in collaboration with Poseidon Water, IDE Technologies, Kiewit Shea Desalination and ProtecArisawa. The historic Carlsbad Desalination Project will bring the largest, most technologically advanced and energy-efficient seawater desalination plant in the West to San Diego County. Scheduled to be completed and operational late 2015, the plant will provide water for nearly 112,000 households in San Diego County, or over 300,000 people.
- To combat challenging source water limitations, a power station for a major brewer in North America turned to Dow Water and Process Solutions to deliver a means to a flavorful, robust and satisfying end. By upgrading their system with a next-generation configuration using DOW FILMTEC™ ECO Reverse Osmosis Elements, the brewery has not only helped ensure uninterrupted beer production, but has also helped reduce the energy required to treat boiler feed make-up water and meet the brewery's electrical energy and process steam requirements. Since the integration of FILMTEC™ ECO Technology, the water treatment system has reduced the power station's energy by 10-20 percent and improved peak flow performance.
- New software from DW&PS simplifies and accelerates the modeling of components, evaluates new or retrofit system designs, and plans construction of desalination water

treatment systems. The Water Application Value Engine (WAVE) digital modeling tool will save customers' time and increase efficiency for evaluating components, as well as designing water treatment systems. The software is a fully integrated tool that enables users to predict accurate water quality for single or multiple unit water treatment designs utilizing Dow technologies, and is distinct in the market because no other supplier offers a program that includes UF RO and ion exchange.

- High-quality water is of paramount importance to power generation, helping to facilitate efficient and reliable operations, protect critical equipment and minimize environmental impact. That's why a power station in Alberta, Canada, has collaborated with DW&PS to implement an innovative two-pass RO design to help optimize its existing configuration. With FILMTEC™ ECO 440i RO element and FILMTEC™ XFRLE-400/34i RO elements, the facility has seen energy savings of 30 percent and improved overall pressure drops and fouling.
- DW&PS launched a new member to the DOW FILMTEC™
 Reverse Osmosis product family in Shanghai during
 Aquatech China 2014. New FILMTEC 500 GPD (gallons per
 day) residential RO elements directly address the demand
 of Chinese residents for pure and safe home drinking water,
 while allowing for more room under the counter with a
 tankless design. The elements are the latest innovation to
 facilitate production of high-quality, safe, potable water in
 areas of lower drinking water quality.
- In a time of intense freshwater scarcity, Dow Water and Process Solutions is leading the movement into a new era for municipal water treatment in Brazil by providing UF technology for the Riviera de São Lourenço, Bertioga, and Sabesp water stations. Dow UF will generate potable water from surface water in Latin America, helping to increase freshwater resources in the water-scarce region.
- FILMTEC™ ECO Elements, recently awarded a Bronze Edison Award in the Energy/Sustainability and Commercial Resource Management Category, are enabling efficient water reuse at the largest water reuse plant in Latin America. The AquapoloAmbiental facility supplies the main petrochemical hub in São Paolo with water to avoid removing potable water from community of 500,000 people. FILMTEC™ ECO elements are helping to fight global water scarcity by helping to deliver 40 percent better water purification using 30 percent less energy.

- Helping Maspalomas-I, the largest municipal desalination plant in Spain, operating with pressurized UF as a pretreatment, meet the growing demand for potable water in the Canary Islands. The combined DowUF and Reverse Osmosis (RO) system effectively helps deliver freshwater from seawater to over 12 million visitors per year.
- Dow UF technology and FILMTEC™ RO membranes, used inside Omni Water Solutions HIPPO® mobile units, have helped treat 245,000 barrels of flowback and produced water from Texas' Eagle Ford shale hydraulic fracturing operations for reuse, thereby avoiding trucking and disposal. In addition, DW&PS collaborated with Encana Oil & Gas (USA) Inc. and General Electric to provide technology to treat oily produced water at the Neptune Water Treatment Facility in the Moneta Divide, Wyoming; the facility will be able to treat up to 25,000 barrels/day of produced water using DOWEX OPTIPORE™ Polymeric Adsorbent Technology.
- Fighting global water scarcity by helping to deliver
 40 percent better purification with 30 percent less energy,
 DOW FILMTEC™ ECO RO Elements have the potential to
 impact millions of lives by revolutionizing water treatment.
 In addition, FILMTEC ECO RO Elements also received
 Pollution Engineering Editor's Choice Award, and received
 the top prize honor of "Market Choice" in a product contest
 held by the Aquatech China committee and dayuu.com.
- Together, Dow and Omni Water Solutions have treated more than 245,000 barrels of flowback and produced water from Texas' Eagle Ford shale hydraulic fracturing operations. Omni's HIPPO® mobile water treatment unit - which includes both Dow ultrafiltration and DOW FILMTEC™ Reverse Osmosis membrane technologies – is being used by a leading operator in Gonzales County, Texas to reduce water hardness and boron, and enable reuse of the cleaned water for drilling and fracturing operations. The operator has been using Omni's mobile treatment unit in a water recycling project to convert produced water into freshwater, brine, and hydro-carbon streams. The project's goal is to reduce boron levels from 90 parts per million to less than 5 parts per million in the freshwater stream, so the water can be reused in subsequent well operations. Water reuse allows operators to minimize the use and cost of freshwater resources, while reducing complexities surrounding local wastewater disposal and onsite wastewater trucking.

• Through a collaboration with Encana Oil & Gas (USA) Inc. and General Electric, DW&PS is helping ensure sustainable water management in unconventional shale oil and gas extraction by providing the technology needed to treat oily produced water at the Neptune Water Treatment Facility in the Moneta Divide, Wyoming. During a groundbreaking ceremony on Nov. 6, 2013, Neptune was declared the third largest water treatment facility of its kind in the world, and will be able to treat up to 25,000 barrels per day of produced water. By using DOWEX™ OPTIPORE™ polymeric adsorbent technology as a pre-treatment, the resin effectively removes boron and harmful organic compounds from produced water. This process results in clean water that meets the requirement of Class 1 standards (considered the same purity as mountain spring water), meeting drinking water and aquatic life quality specifications. High water recovery allows Encana to minimize the use and cost of freshwater resources, while reducing complexities surrounding local wastewater disposal and onsite wastewater trucking.

Dow partners and brings technology to solve global water challenges – the water-energy nexus, breakthroughs in circular economy to enable water reuse and innovative technical solutions to treat difficult water.

Dow is a charter member of the Global Water Challenge, which focuses on building awareness and promoting scalable actions in expanding coverage for clean water and sanitation worldwide.

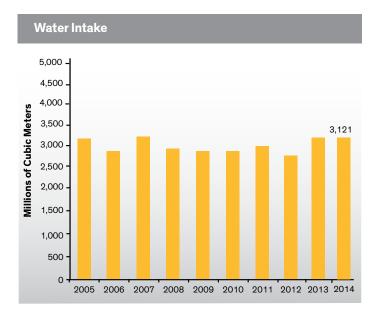
Dow is a member of the University of Arizona's Water & Energy Sustainable Technology (WEST) Center, which focuses on developing new water technologies and innovations to advance the water-energy nexus and efficiencies to enable more effective treatment and water reuse.

Dow is raising awareness of freshwater sustainability through its collaboration with The Nature Conservancy (TNC). Dow's Texas Operations in Freeport, Texas, the first of three global pilot sites with The Nature Conservancy, has completed a future freshwater supply study as well as valuation of this critical ecosystem service. Read more about this result from our innovative collaboration at dow.com.

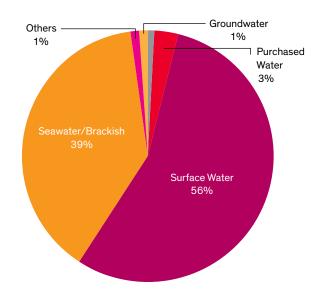
Read more in section EN10 about how Dow is reducing water use at our largest site in Freeport, Texas, including an award recently bestowed on Dow's Texas Operations by the Texas Commission on Environmental Quality (TCEQ).



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



Sources of Water





Water resources significantly affected by withdrawal of water (G4-EN9)

Dow manufacturing facilities located in water-stressed regions (as defined by the World Business Council for Sustainable Development's Global Water Tool) are shown below. Dow's Terneuzen site is demonstrating the effectiveness of developing low cost process water through "mild desalination". The aim of this case study is to find the best way to treat different locally available slightly brackish water sources in a cost effective way to produce a multifunctional water source for agriculture or industrial purposes. The main water quality limit to achieve is an electrical conductivity of less than 1 mS/cm. Three different raw water sources were selected as being most interesting for testing and final reuse: Spuikom water (runoff rainwater from Dow-site stored in an open reservoir), biox effluent from the waste water treatment plant of Dow and cooling tower blowdown water (for the pilot we use the cooling tower blow down from the neighbouring power plant).

Dow location	Source		
Seadrift, Texas	Guadalupe River		
Candeias, Brazil	Purchased freshwater		
Bahia Blanca, Argentina	Purchased freshwater		
Terneuzen, The Netherlands	West Schelde		
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		



Percentage and total volume of water recycled and reused (G4-EN10)

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

Dow Wins Texas Environmental Excellence Award

Over the past few years, Dow's largest manufacturing site in Freeport, Texas, implemented several water recycle and reuse projects and on-going conservation measures that reduced the site's overall water demand more than 15 percent. These efforts provide water supply for the site expansion without requiring new or additional water demand. The Texas Commission on Environmental Quality bestowed one of its 10 Texas Environmental Excellence Awards to Dow's Texas Operations in recognition for these water use reduction efforts. It marked the first time the Freeport site has received the state's top environmental honor.

Dow Enables Energy and Water Savings with Public-Private Partnership

The city of Terneuzen is a major seaport and freshwaterscarce coastal area in the southwestern Netherlands, where competing water demands across agriculture, industry and residences makes water management difficult.

To help manage freshwater use and reuse, Dow Terneuzen has partnered with the Water Board Scheldestromen, the City of Terneuzen, and water company Evides—which supplies drinking water and industrial water in the southwestern Netherlands—to create a public private approach in the early



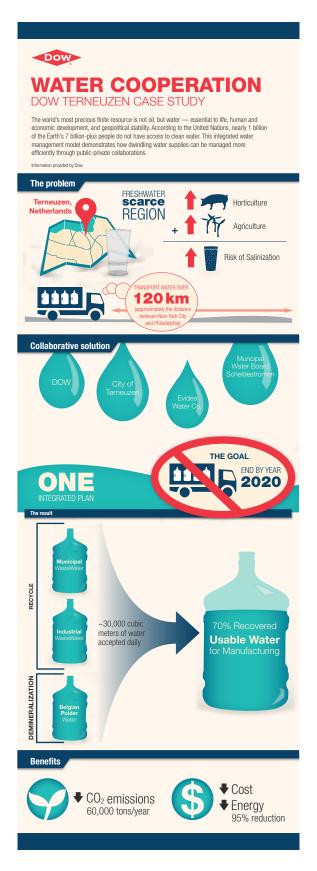
1990s. The partnership includes recycling municipal and industrial water as well as producing demineralized water.

Dow's largest chemical processing plant outside of the U.S., Dow Terneuzen is the city's largest employer, and the heaviest industrial water user. Through an innovative recycling program, Dow Terneuzen accepts wastewater each day from the city, has it purified by a third party company, and uses it to generate steam and supply its manufacturing plants. By 2020, Dow Terneuzen hopes to entirely eliminate its reliance on remotely sourced freshwater and exclusively use water sourced from this regional water recycling program.

Through the wastewater recycling program, Dow reuses 30,000 cubic meters of wastewater each day from the city. In addition to lowering its reliance on scarce freshwater in the region and decreasing the need to remotely source freshwater, Dow Terneuzen has reduced its energy use by 95 percent when compared to the energy cost needed for conventional desalination of seawater. The energy reduction at Dow Terneuzen by reusing wastewater from the city is the equivalent of reducing carbon dioxide emissions by 60,000 tons each year.

Freshwater scarcity is an issue that neither government nor industry can solve separately. But together, with an integrated water management model such as the one in Terneuzen, water scarcity issues can be alleviated. The Terneuzen model demonstrates how public-private collaborations and partnerships will result in strong environmental and economic benefits.







Aspect: Biodiversity (G4-DMA)

G4

Material Mat

Summary

The Dow Chemical Company appreciates the impacts we have on nature and our dependencies on the critical services that nature provides. 2014 marks the third year that Dow has compiled its global efforts related to Biodiversity and Ecosystem Services into one report, available online. We have a strong history of philanthropic

giving focused on protecting and preserving nature. In alignment with the company's 2015 Sustainability Goals, it is common to see Dow volunteers active in their communities and Dow nature preserves in regions where we do business. For years, Dow has been conserving land, donating property and supporting the efforts of local conservation groups and NGOs through generous grants and donations.

Part of our strategy to incorporate the value of nature into decision-making is our collaboration with The Nature Conservancy (TNC). The two global organizations are applying scientific knowledge and experience to develop tools for companies to use by examining how Dow's operations interact with nature. Nature provides benefits, often called "ecosystem services," on which everyone depends. The Collaboration is exploring opportunities to more deliberately factor the value of nature into business decisions across Dow – at the corporate level and at sites around the world. Initial efforts focused on large "pilot site" analyses, where the team investigated tangible examples in detail at Dow sites, starting in Freeport, Texas, and Santa Vitória, Brazil, to develop evidence and tools. In Freeport, one of the most compelling projects focused on reforestation to reduce ground level ozone pollution. Here, the Collaboration found that reforestation with native tree species could be cost competitive with traditional means of reducing ground level ozone and its precursor, nitrogen oxides, while also providing benefits in terms of biodiversity and carbon dioxide intake. Dow and TNC are working with the U.S. Environmental Protection Agency and Texas Commission on Environmental Quality to understand how this means

of reduction could factor into an overall strategy to reduce ozone in the region. In Brazil, the Collaboration evaluated how landscape level (as opposed to parcel-by-parcel level) compliance with Brazil's Forest Code could reduce costs for Dow's joint venture Santa Vitoria Açucar e Alcool (SVAA) while also providing better outcomes for biodiversity and water quality. For more details on these efforts, please see our Collaboration's Annual Progress Report, available at dow.com and nature.org.

Now, with the third pilot project, the Collaboration has moved beyond those detailed research efforts and will look into how nature can be incorporated into decision-making across multiple sites of varying sizes and uses. This broader framework of decision support tools and modules will help address business decisions organization-wide. The Collaboration is committed to sharing results and tools publicly through various communications and peer-reviewed publications for other companies, scientists and interested parties to test and apply. Further, the Collaboration has begun to share our experience with policymaking authorities and key resource stakeholders. As more companies use these methods and tools, greater investment in conservation should follow because such investment makes good business sense.

BESTCAT Tool

Many companies have turned to tools like social and environmental impact assessments, biodiversity action plans, and environmental management systems to identify, assess and plan operations. But a company looking to make biodiversity and ecosystem services a key part of corporate strategy, or to include them within sustainability reporting, requires a broader perspective. It can be challenging for companies to make related regional and global strategic decisions, due to the limited amount of biodiversity and ecosystem services information available on a global scale, difficulty in accessing these global data, and working with data that is often not organized for business risk and opportunity analysis.



In order to address this challenge for businesses, the TNC-Dow collaboration has created a web map tool: the Biodiversity and Ecosystem Services Trends and Conditions Assessment Tool (BESTCAT). It provides businesses open access to global data and a user interface that allows them to easily compare and prioritize their current or future portfolio of assets with regards to biodiversity and ecosystem services. It will increase usability of these metrics by offering online mapping technologies, simple data input requirements, and production of reports.

The first version of BESTCAT includes a set of five global biodiversity metrics: species diversity (both at the global and biome level), threatened species, habitat intactness, and habitat protection. The data sets contained within the tool were used to develop responses to EN11 and EN14 of this report.

ESII Tool

In 2014, the Collaboration continued the development of a second tool, which provides a rapid assessment of ecosystem services at a site level. This tool, developed in partnership with ecological consulting firm Ecometrix Solutions Group (ESG), has been named the Ecosystem Services Identification & Inventory ESII, pronounced "easy" Tool. ESII will allow

businesses to estimate the business value from lands on and adjacent to their sites. The vision for the ESII tool is to develop software for a tablet device that a site technician could use to collect relatively simple ecological data, which can be used to identify and model the rather complex production of ecosystem services at a site. By providing this ecosystem service production data, the tool would enable engineers to estimate the value of those ecosystem services to the business using replacement cost calculations.

In addition to the analytical outputs, the tool should provide broader benefits for companies as well. For example, as Dow staff uses the tool to assess sites, it will help create awareness of ecosystem services and the value of natural assets at Dow sites and adjacent areas. Successful development of this tool would facilitate prioritization of ecosystem services and inform decisions that could protect, restore or improve these services. Estimates of public value from Dow's natural areas would inform community and other stakeholder conversations, and outputs from the tool would add value to Dow and other company's processes, reporting and analysis.

An initial automated version of the ESII Tool will be publicly available at the end of 2015.



Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas (G4-EN11)

Below is a list of Dow's global major manufacturing locations that are located within 15 kilometers of a protected area. The closest protected area is noted, ranked by IUCN Category. Size of land owned by the company by location is not reported publicly.

Major Production Site	Country	Protected Area Name	Туре	IUCN Category
FREEPORT, TEXAS	UNITED STATES	Justin Hurst	Wildlife Management Area	IV
STADE	GERMANY	Unterelbe	Site of Community Importance (Habitats Directive)	Not Applicable
CANDEIAS	BRAZIL	Baia de Todos os Santos	State Environmental Protection Area	V
HAHNVILLE (ST. CHARLES), LOUISIANA	UNITED STATES	Bayou Labranche	State Wild or Scenic River	V
TERNEUZEN	THE NETHERLANDS	Braakman	Nature Reserve	IV
DOW CENTRAL GERMANY	GERMANY	Ruckhaltebecken Stohna	Nature Reserve	IV
SEADRIFT, TEXAS	UNITED STATES	Guadalupe Delta	State Wildlife Management Area	IV
TEXAS CITY, TEXAS	UNITED STATES	North Deer Island	Audubon Society Preserve or Sanctuary	III
TARRAGONA	SPAIN	Sequia Major	Site of Community Importance (Habitats Directive)	Not Applicable
BOMLITZ	GERMANY	Bomlitztal	Landscape Protection Area	V
LOUISVILLE, KENTUCKY	UNITED STATES	Brock-Sampson Nature	State Nature Preserve	IV



Any Dow locations (office or manufacturing) within 15 kilometers of IUCN Protected areas classified as I, II or III are listed below. The closest protected area is identified.

Dow Site	Country	Name of Closest Protected Area	Туре	IUCN Category
ALTONA	AUSTRALIA	Laverton Grasslands	Nature Conservation Reserve - Flora Reserve	la
LANDSKRONA	SWEDEN	Exercisfaltet	Nature Reserve	la
MERAK	INDONESIA	Pulau Sangiang	Nature Reserve	la
PISCATAWAY, NEW JERSEY	UNITED STATES	Delaware & Raritan Canal	State Park	II
KASAOKA	JAPAN	Seto - Naikai	National Park	II
TAOYUAN HSIEN	TAIWAN	Yushan	National Park	II
BARRANQUILLA	COLOMBIA	Isla De Salamanca	Not Reported	II
FRANCO DA ROCHA	BRAZIL	Juquery	State Park	II
KALWA	INDIA	Sanjay Gandhi	National Park	II
GUARUJA	BRAZIL	Serra do Mar	State Park	II
YEOSU	S. KOREA	Hallyeohaesang	National Park	II
SAO PAULO	BRAZIL	Guarapiranga	State Park	II
CHENNAI	INDIA	Guindy	National Park	II
AUCKLAND	NEW ZEALAND	Favona Road	Stewardship Area	III
VARENNES, QUEBEC	CANADA	lle Beauregard	Natural Reserve	III
WOBURN, MASSACHUSETTS	UNITED STATES	Reedy Meadows	Audubon Society Preserve or Sanctuary	III
TEXAS CITY, TEXAS	UNITED STATES	North Deer Island	Audubon Society Preserve or Sanctuary	III



Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value (G4-EN12)

The Company is not aware of events in 2014 causing significant impacts on biodiversity in protected areas or areas of high biodiversity value.



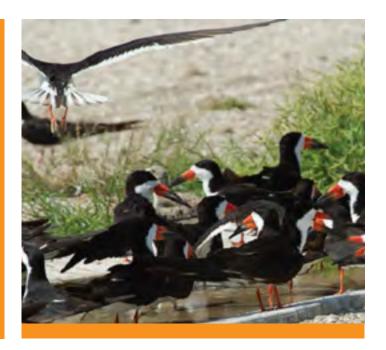
Habitats protected or restored (G4-EN13)

Philanthropic giving by Dow and The Dow Chemical Company Foundation to conservation activities and nature-related programs was collected by site from leaders globally. While every effort was made to capture activities initiated in 2014, there may be historic ongoing activities that were not re-submitted for inclusion in this report. The data received represents more than 90 percent of Dow sites and is sorted into the following categories:

- **Wildlife Preservation:** Activities supporting the preservation of wildlife
- **Education and Access:** Activities supporting environmental education and/or access to natural areas
- **Habitat Preservation and Enhancement:** Funds donated for the preservation or enhancement of natural spaces and land set aside by Dow for the direct protection of natural spaces

Texas Operations – The Black Skimmer Nesting Ground

- More than 40 years ago, it started out as a simple effort to protect the birds and has become one of the great examples of the high regard Texas Operations employees have for local wildlife.
- The black skimmer nesting colony has become a wildlife laboratory for colonial nesting species including gull billed terns (Stema nilotica) and least terns (Stema antilarum).
- Colony management techniques are being leveraged to other agencies and organizations to show how colonial nesting birds can be managed and can prosper in disturbed areas.



Summary Results by Category

Ecosystem Services

Methods Development and Valuation

- The Nature Conservancy / Dow collaboration
- World Resources Institute, Aqueduct Project
- In-kind resources from Dow deployed to ecosystem service projects
- Capital investment in nature to produce ecosystem services

Philanthropic Conservation Initiatives

Habitat Preservation and Enhancement

• More than 16 sites contributed to projects on four continents to support habitat preservation and enhancement

Wildlife Preservation

- Multiple sites contributed to wildlife preservation projects to support a variety of species around the world
- At least four sites routinely have protected bird species return to nesting areas within the manufacturing sites

Education and Access

 Numerous sites supported community partners to provide environmental educational opportunities for children in the local area

Selected highlights from the past two years are shown on the following map. They are representative of the types of conservation projects done around the world but do not include all of the actions Dow has taken.

\$3,850,000

\$456,700

\$356,400

\$1,771,095

2014 Selected Global Conservation Activities



Color Key: • Ecosystem Services • Habitat Preservation Services • Wildlife Preservation Services • Education and Access

1. The Nature Conservancy/Dow Pilot #1 – Freeport, Texas, US

An innovative project to value and enhance ecosystem services to improve air quality, reforestation and mitigation of coastal hazards with natural infrastructure.

2. The Nature Conservancy/Dow Pilot #2 – Santa Vitória, Brazil

A progressive project to expand agricultural production while minimizing impact, maximize ecosystem services and comply with Brazil's Forest Code.

3. Seadrift Constructed Wetland - Seadrift, Texas, US

The adoption of a natural technology for wastewater treatment saved the Company \$282 million in retrospective net present value versus its conventional counterpart.

4. Ward Hollow Wildlife Habitat – West Virginia Operations, US

The Ward Hollow Wildlife Habitat provides educational opportunities for local middle school and high school students. The area is certified as a Wildlife at Work Site by the Wildlife Habitat Council.

5. Bristol Marsh Preserve - Pennsylvania, US

The Heritage Conservancy has been working with community partners and residents to restore the 33-acre Bristol Marsh Preserve (the Marsh), a freshwater tidal marsh 12 miles north of Philadelphia in the Upper Delaware River Estuary that supports a critical ecosystem surrounded by an urban, industrialized region.

6. Habitat restoration - Mozzanica, Italy

Dow Italy worked with regulators and the national Parco del Serio to restore and reforest the banks of the Serio river.

7. Flowering Life at Dow Stade - Stade, German

At the Dow site in Stade, employees cultivate and protect native species on site.

8. Dow Marine Conservation Program - Kuwait

Dow in Kuwait, in partnership with the en.v Initiative, announced the renewal of the Dow Marine Conservation Program, a multi-lateral program that aims to promote greater civic responsibility and encourage communities to engage in environmentally sustainable practices. The program has engaged around 400 volunteers and educated more than 2.000 students since 2011.

9. Mangrove Restoration - Map Ta Phut, Thailand

Dow teamed with local partners to reforest and restore mangroves in the area to protect against coastal storms and promote community livelihoods and tourism.

10. Shiawassee National Wildlife Refuge – Michigan Operations, US

Partnering with The Nature Conservancy of Michigan, Dow purchased and donated 135 acres of land to the refuge. The refuge supports a myriad of species of songbirds and migratory waterfowl.

11. Atlantic Forest Restoration - Franco da Rocha, Brazil

Dow worked with local organizations to plant more than 40,000 native tree seedlings on 35 acres of Dow land.

12. Horseshoe Crab Museum - Kasaoka, Japan

The Horseshoe crab is famous as a "living fossil." The Japan Horseshoe Crab Conservation Association was established to educate people about the importance of the horseshoe crab and its conservation.

13. Black Skimmer Nesting Ground - Texas Operations, US

More than 40 years ago, this program started out as a simple effort to protect the birds. Today, it has become one of the great examples of the high regard Texas Operations employees have for local wildlife. This tradition of conserving and protecting wildlife and its habitat inside Dow Texas Operations, as well as having the skimmers return each year, is one worth celebrating.

14. Endangered Tern Nesting Habitat – Dow Central Germany

Dow's Central Germany facilitated creation of a new island on site, providing a critical nesting habitat for endangered terns.

15. ZooDow - San Lorenzo, Argentina

An engagement and education program on native bird species for employees, family members and contractors promotes the ethical treatment and preservation of local fauna.



16. Eagle Days - Riverside, MO, US

The Dow Riverside plant was recognized for its significant contributions to the conservation and awareness of the U.S. national symbol, the Bald Eagle. The announcement was made at Dow's 20th annual 2013 Eagle Days event – a four-day program engaging more than 900 local fifth grade students from Jefferson County schools in hands-on activities and field experience to learn more about the habitat and conservation of birds of prey.

17. Wissahickon Valley Watershed Association Educational Programs – Delaware Valley Sites, US

The WVWA's education program provides a basic knowledge of science – the water cycle, watershed management, water chemistry, aquatic life, pollution biology and environmental science.

18. Delivering Living Landscapes – Kings Lynn, United Kingdom

Dow's Kings Lynn site worked with the Norfolk Wildlife Trust to deliver several workshops educating local community members about the importance of wildlife and the habitats around them.



Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk (G4-EN14)

The following Dow major manufacturing sites fall within the IUCN Red-Listed species range maps. The number of species by IUCN category per site has been summed.

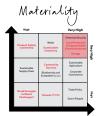
Major Production Site	Country	Critical	Endangered	Vulnerable	Total Threatened
FREEPORT, TEXAS	UNITED STATES	0	0	4	4
PLAQUEMINE, LOUISIANA	UNITED STATES	0	0	4	4
STADE	GERMANY	0	0	2	2
CANDEIAS	BRAZIL	1	1	4	6
HAHNVILLE (ST. CHARLES), LOUISIANA	UNITED STATES	0	0	4	4
TERNEUZEN	THE NETHERLANDS	0	0	2	2
MIDLAND, MICHIGAN	UNITED STATES	0	0	2	2
DOW CENTRAL GERMANY	GERMANY	0	0	2	2
DEER PARK, TEXAS	UNITED STATES	0	1	4	5
SEADRIFT, TEXAS	UNITED STATES	0	1	4	5
TEXAS CITY, TEXAS	UNITED STATES	0	0	4	4
SOUTH CHARLESTON, WEST VIRGINIA	UNITED STATES	0	1	3	4
TARRAGONA	SPAIN	0	1	4	5
BOMLITZ	GERMANY	0	0	2	2
FORT SASKATCHEWAN, ALBERTA	CANADA	0	0	3	3
KANUMA	JAPAN	0	2	4	6
LOUISVILLE, KENTUCKY	UNITED STATES	0	1	2	3
BAHIA BLANCA	ARGENTINA	0	1	3	4
MAP TA PHUT	THAILAND	1	1	10	12

Environment

The following Dow locations ranked highest in the number of IUCN critical and endangered species range maps that intersected the site location.

Dow Site	Country	IUCN Critical	IUCN Endangered	IUCN Vulnerable	Total Threatened
MEDAN	INDONESIA	0	9	24	33
CANELANDS	SOUTH AFRICA	2	4	8	14
AUCKLAND	NEW ZEALAND	1	6	7	14
DONG GUAN	CHINA	0	7	16	23
GUANGZHOU	CHINA	0	7	15	22
MIN-HSIUNG	TAIWAN	0	7	7	14
PUNE	INDIA	2	2	6	10
GUARUJA	BRAZIL	1	4	11	16
NEW GERMANY	SOUTH AFRICA	1	4	7	12
SASOLBURG	SOUTH AFRICA	1	4	5	10
GEELONG	AUSTRALIA	1	4	4	9
ALTONA	AUSTRALIA	1	4	3	8
ZHONGSHAN	CHINA	0	6	15	21
HSINCHU	TAIWAN	0	6	10	16
NANKANG	CHINA	0	6	8	14
KALWA	INDIA	2	1	9	12
TALOJA	INDIA	2	1	9	12
CHENNAI	INDIA	2	1	5	8
CILEGON	INDONESIA	1	3	11	15
CAMACARI	BRAZIL	1	3	6	10
SHANGHAI	CHINA	0	5	10	15
TAOYUAN HSIEN	TAIWAN	0	5	9	14
SEOUL	KOREA	0	5	7	12

Aspect: Emissions



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

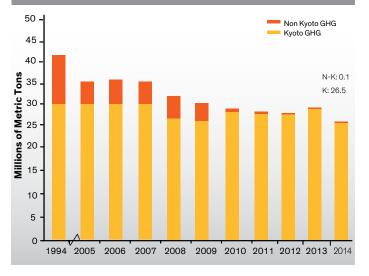




Total direct (scope 1) and indirect (scope 2) greenhouse gas emissions (G4-EN15) (G4-EN16)

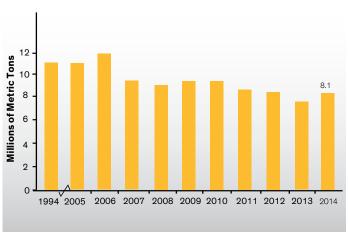
Dow uses *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* for guiding the reporting of greenhouse gas emissions. Direct greenhouse gas (GHG) emissions are from sources controlled by Dow and include Kyoto and non-Kyoto GHGs. Our 2014 direct GHG emissions, expressed as carbon dioxide equivalents¹, decreased about 25 percent from 2006 to 2014.





Indirect 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. 2014 indirect emissions were reduced 31 percent since 2006.

Indirect Greenhouse Gas Emissions as CO₂ Equivalent (Scope 2)



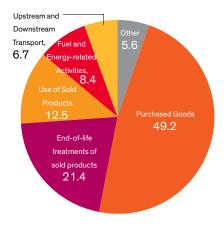


Other indirect greenhouse gas emissions (scope 3) (G4-EN17)

Other indirect (scope 3) GHG emissions occur from sources not owned or controlled by Dow. We have assessed all scope 3 categories according to the GHG Protocol Corporate Accounting and Reporting Standard provided by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The results are summarized in the figure on the next page. The Economic Input Output (EIO method applied to 2014 dollar expenditures was used to calculate most of the scope 3 GHG emissions. This is our best estimate of scope 3 GHG emissions, although it is possible that the actual scope 3 GHG emissions with respect to each category could vary significantly. See the Dow's Carbon Disclosure Project report for 2014 for more information.

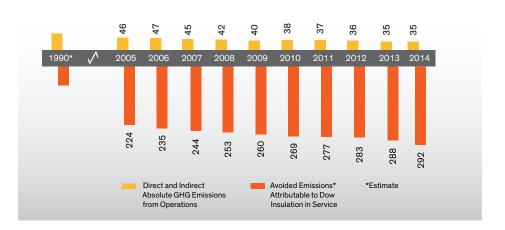
¹ Global Warming Potentials are based on IPCC Second Assessment Report.

Scope 3 GHG Emissions in million metric tons of CO_{2e}



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. The estimated GHG avoided emissions for 2014 from the use of Dow's insulation products is 292 million MT CO₂e. From 2005 through 2014 the avoided emissions have steadily increased from 224 million MT CO₂e per year.

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

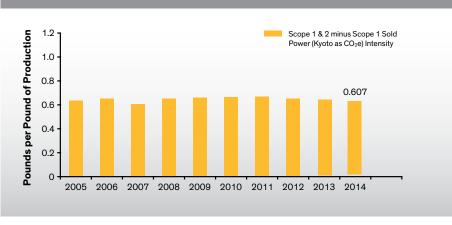


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Greenhouse gas emissions intensity (G4-EN18)

In 2014, Dow's GHG emissions intensity was 0.607 metric tons per metric ton of production, about a 3 percent decrease from base year 2005. Kyoto GHG intensity is the sum of CO_2 equivalent direct and indirect emissions of the "Kyoto" family of GHGs divided by unit of production.

Intensity of Kyoto GHG as CO₂ Equivalent









Reduction of greenhouse gas emissions (G4-EN19)

We have reduced the Company's absolute GHG emissions by more than 30 percent since 1990, representing a more rapid reduction than required by Kyoto Protocol targets. The energy savings resulting from increased efficiency from 2005 through 2014, as reported in EN6, can be converted to equivalent GHG emissions avoided equaling 4.2 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 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. Dow's goal on climate change is to maintain GHG emissions below 2006 levels on an absolute basis for all GHGs, thereby growing the Company without increasing our carbon footprint. While the revenue of the Company increased from \$49 billion in 2006 to \$58 billion in 2014, our GHG emissions were reduced from 47 to 35 million metric tons per year, more than 12 million metric ton per year below 2006 levels.

We continue to develop and improve the quantification of our net impact and have engaged the life cycle community in the discussion by presenting our perspective and first pass estimates at the American Center for Life Cycle Assessment – LCA XII Conference, September 26, 2012. In addition, we have chartered several projects to improve that ease and accuracy of data collection used in the estimation of our upstream and downstream scope 3 emissions. These new tools and resources will enable us to continue to improve both the scale and accuracy of our reporting.

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 GHG emissions.

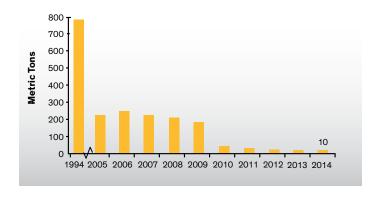
For more information on Dow's position on addressing the issue of climate change, consult the Dow annual <u>Carbon</u> <u>Disclosure Project Report.</u>



Emissions of ozone-depleting substances (ODS) (G4-EN20)

Ozone-depleting emissions include substances with an ozone depletion potential greater than zero that can deplete the stratospheric ozone layers. The emissions factors are based on the Montreal Protocol.

Ozone Depletors as CFC-11 Equivalent



2014 Responsible Care® Winning Team: Fossil Fuel Elimination



Team members: Conny Stensson, Erik Vestergård, Sven-Ove Moberg, Martin Kronvall.

The Landskrona, Sweden plant has been connected to a regional network of hot water pipes. A steam boiler using natural gas was replaced by an electric steam boiler. The combination of the two projects completely eliminated the use of fossil fuel.

This project made it possible to utilize waste energy from other industries in the region for both the process area and for heating of buildings.

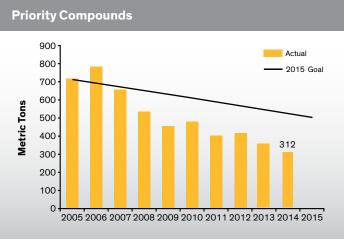




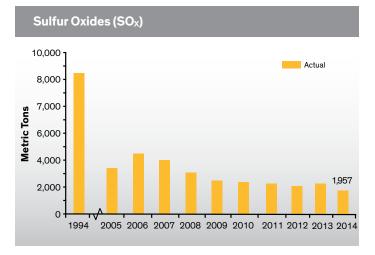
NO_X , SO_X , and other significant air emissions (G4-EN21)

Priority compounds are a category of chemicals defined by Dow. Priority compounds are comprised of chemicals with persistent, bioaccumulative, and toxic hazards, and chemicals with carcinogenic, mutagenic, and reproductive hazards. In 2014, Priority compounds emissions were down by 55 percent when compared to 2005.

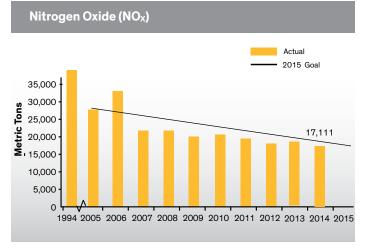
Sulfur oxides (SO_x) emissions decreased from 2005 to 2014 by 46 percent.

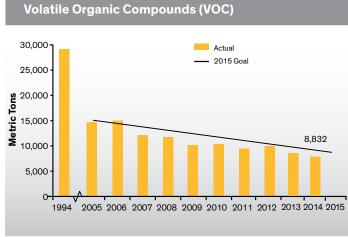


Nitrogen oxides (NO_X) emissions decreased from 2005 to 2014 by 39 percent. Dow utilizes the AP-42, Compilation of Air Pollutant Emission Factors, in addition to on-line measurement systems, performance testing and industry standardized factors to determine emission rates.



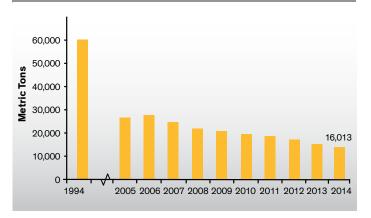
Volatile Organic Compounds (VOC) are organic chemicals with high vapor pressures and react photochemically with the atmosphere. VOC emissions decreased from 2005 to 2014 by 37 percent.





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).

Chemical Emissions to Air and Water



Dow has decreased chemical emissions by 39 percent from 2005 to 2014. This metric is compiled for emissions to both air and water.

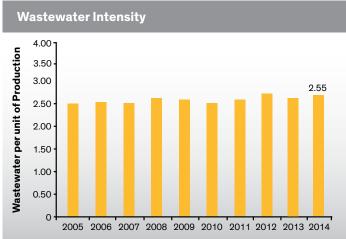
Aspect: Effluents and Waste



Total water discharge by quality and destination (G4-EN22)

During 2010, information about Dow's 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.

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 has remained relatively flat since 2005.





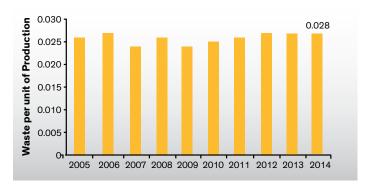


Total weight of waste by type and disposal method (G4-EN23)

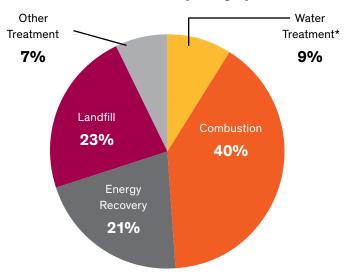
Total treated waste in 2014 was 1.5 million metric tons. Approximately 59 percent of the waste is classified as nonhazardous and 41 percent as hazardous as defined regionally. Wastes are materials that receive treatment and exclude demolition, remediation and certain salts. Dow has placed ongoing emphasis on reducing waste and accomplished great savings through an internal WRAP program (Waste Reduction Always Pays). WRAP reduction includes waste avoidance, source reduction, GHG 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 9 percent.

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. Waste intensities were relatively flat over the past several years.

Waste Intensity



Waste Treatment by Category



*Water portion excluded from waste. Wastewater data is shown in EN22.

2014 Responsible Care® Winning Team: MDP Dimers Project





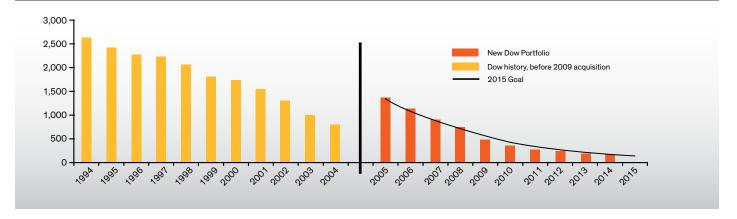
Team members: Cheryl Chris, James George, Paul Bork, Dean Verhaeghe, Cherif Balamane, Kim Harvey, Michae Faulkner, Arturo Lopez, Jacob Guy, Gaynell Coleman, John Britans

A project was initiated to identify alternate management possibilities for a co-product, MDP Dimer, which has historically been managed as a hazardous waste. A fuels blending operation company was contacted for possible use as a saleable co-product

Site and corporate environmental, reactive chemicals and analytical personnel were engaged to ensure regulatory requirements were met before reclassifying the material from a hazardous waste to a saleable co-product. The determination was made that no constituents or characteristics of the material would adversely affect the company's utility fuels program and would benefit the company to better attaining one of their product specifications.

All environmental requirements were satisfied. The project saves the facility around \$2 million per year in disposal costs and removes approximately \$2 million pounds per year from hazardous waste management and disposal

Loss of Primary Containment Events





Total number and volume of significant spills (G4-EN24)

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.

At the end of 2014, the company had experienced 177 Loss of Primary Containment incidents. This is 5 percent better than our performance in 2013. The 2015 Goal of no more than 130 incidents is a 90 percent reduction from 2005.



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 (G4-EN25)

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. Then, 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 610,000 metric tons of hazardous waste treated in 2014 as defined by regional definitions. Approximately 22 percent of this quantity was transported to locations and treated by third parties. A majority of the percentage was consumed by thermal treatment. Water content of aqueous hazardous wastewater was subtracted from this total. Dow has a work process to audit third parties.

Hazardous waste shipped across country lines is monitored at the local level.



Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by discharges of water and runoff (G4-EN26)

There are no known bodies of water significantly affected by current discharges of runoff from operations.

Aspect: Products and Services



Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation (G4-EN27)



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 Assessments (PSAs). A primary focus of this goal is to develop PSAs for all Dow products by 2015.

At the end of 2014, 579 PSAs had been posted to Dow's product safety website. Dow's published PSAs now cover products accounting for over 95 percent of Dow's annual revenue. Additionally, 100 percent of Dow's 185 High Priority chemicals are now covered by a PSA. Since 2Q 2014, the number of High-Priority Chemicals has decreased due to divestitures and the discontinuation of several High-Priority Chemicals. We are on track to meet our 2015 Goal to have a PSA publically available for applicable Dow products.

PSAs are written for the lay public and cover topics such as basic hazards, exposure potential and risk management measures. They complement other product safety, handling and stewardship documents, which are part of the product responsibility package offered by Dow to strengthen

relationships with communities and customers. Dow is dedicated to providing the public with accurate information and building trust as it uses technology to develop better products, and this holistic approach enables Dow customers and the communities in which Dow does business to stay informed about the Company's products and the plants that produce them.

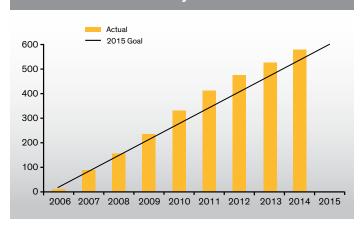
Other mitigation efforts include our Product Stewardship program (See PR1_and PR3) and our commitment to implement the European Union regulation for the Registration, Evaluation, Authorization and Restriction of Chemicals, known as REACH.

"The need to rethink strategy to incorporate sustainability is a business imperative. Consumer Care is putting a clear focus on innovating sustainable new technologies that enhance the quality of life for current and future generations, engage in a meaningful dialogue with our value chain partners and customers, drive resource efficiency and engage and inspire our employees."

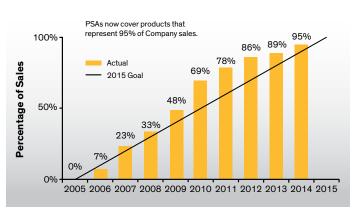
- Ralf Brinkmann
Business President, Dow Consumer Care



Cumulative Product Safety Assessments



Sales Covered by Assessments



Third-Party Review of Product Safety Assessment Process

Dow committed, by 2015, to make publicly accessible safety assessments for its products globally, and in doing so address relevant gaps in hazard and exposure information. Dow continues to take appropriate action based on the assessments. Dow retained Risk Sciences International at the University of Ottawa in Canada ("RSI"), to evaluate the robustness of Dow's product safety assessment processes.

RSI focused primarily on two aspects of Dow's product safety decision making:

- 1. The various business processes that support product safety decision-making
- 2. The organizational, technological and scientific capacity to meet Dow's 2015 Sustainability Goals

RSI found that Dow's product safety assessment process is generally sound. RSI concluded that Dow has world-class scientific expertise and the capacity to achieve excellence in product safety assessment, including state of the art practice in toxicology, exposure assessment and risk characterization. RSI identified a few potential improvements, to enhance and ensure consistency in the quality of product safety assessments and decision-making across Dow's portfolio of products and their many uses.

In response, Dow has chartered several projects to evaluate and, as appropriate, address these recommendations. Many improvements are already being implemented. Dow is currently providing comprehensive cross-functional training on the improvements and systems to key employees in all functions and businesses.



Percentage of products sold and their packaging materials that are reclaimed by category (G4-EN28)

Dow has established a Global Packaging Sustainability Council focusing on several aspects of packaging: Dow as a consumer of inbound packaged materials, a producer of packaged products, and a supplier of packaging materials and solutions. The purpose of this team is to understand current Dow practices, market and industry trends, and put programs in place to ensure long term competitive advantages are delivered to Dow businesses with an emphasis on sustainable packaging practices throughout the entire value chain. The strategic themes are in alignment with the 2025 Corporate Sustainability goals and are being built into functional and business specific goals.

Strategic Themes:

- **Seek** Innovative Technology for sustainable packaging.
- **Design** for Sustainability in the value chain through collaboration with suppliers and customers, including material choice, packaging form and function.
- **Drive** Sustainable Behavior through programs and incentives to optimize sustainable packaging procurement, re-use, recycling, and recovery in our value chain.
- **Share** the Sustainability Story of Dow packaging with internal and external stakeholders.

The Council has identified foundational activities and developed multi-generational plans supporting each theme. Metrics, under "Design for Sustainability," have been defined and are being validated to establish baseline data in 2015 for Dow's packaged products. This data will enable future reporting for this indicator. Additional metrics,



as they are introduced, will provide valuable insight on Dow's packaging practices and opportunities.

Dow's strategic partnership with EarthMinded Life Cycle Services (LSC) continues to deliver impressive results. Collection services have been established at an additional nine Dow facilities throughout 2014 for a total of 16 U.S. sites. Over 50,000 drums, steel, plastic and fiber, and rigid intermediate bulk containers were collected with a 55 percent reuse rate. Over 984,000 lb. of steel and 517,000 lb. of plastic were reused or recycled while reducing 2,500,000 lb. of carbon equivalents and other GHGs and fresh water usage. Further expansion of this program is expected with ongoing financial and environmental benefits in 2015.



Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations (G4-EN29)

Dow tracks environmental fines and penalties globally regardless of size or significance, and payment is reported based on the incident year. In 2014, there were six incidents where the Company paid fines or penalties over \$10,000. Fines paid for these incidents were \$87,936 which includes both amounts paid and the value of alternate pay amounts. In 2013, there were seven incidents where the Company paid fines or penalties over \$10,000. Fines paid for these incidents were \$844,870.

The Company does not have non-monetary sanctions to report for 2014, nor is there awareness of a case or cases that should be disclosed.



Significant environmental impacts of transporting products and other goods and materials used for the organization's operations and transporting members of the workforce (G4-EN30)

Dow is fully committed to transportation safety and security advancements, and the reduction of risk to people and the environment. Our actions are centered on reducing risk, which includes improving safety performance, equipment performance and emergency response. In the case of Highly Hazardous Materials (HHMs), our action includes reducing our need to transport these materials. This commitment is evidenced in Dow's Memorandum of Cooperation with the Union Pacific Railroad on Rail Safety and Security (Dow-Union Pacific MOC Update: On Track to Increase Rail Safety and Security), as well as in Dow's collaboration with Union Pacific and Union Tank Car Company to design and build the "Next Generation Rail Tank Car" for chlorine.

Our 2015 sustainability objectives reflect our commitment to reduce the potential impact of Dow's transportation activities by dramatically reducing in-transit releases – also called loss of primary containment (LOPC) incidents – of Dangerous Goods (known in the U.S. as Hazardous Materials). Dow has an aggressive, comprehensive program to prevent incidents during transportation; our program collects, investigates, analyzes and develops corrective and preventative actions to incidents globally. These include incidents that occur at contracted Logistics Service Providers (LSPs) such as warehouses and terminals.

"Ensuring the safe and secure shipment of Dow products to our customers is a responsibility we take seriously, and I am proud of our history of leadership in Supply Chain Sustainability. Dow's transportation incident performance is approaching Six Sigma, and – with the world as our fence line – we expect nothing less. We have dramatically reduced the tonne-miles of sensitive materials, we lead the industry in the design of safer new railcars, and we have implemented a number of risk-based processes and standards. Dow Supply Chain is committed to leading by example, initiative and collaboration to set the standard for sustainability."

- Noelle Walsh, Corporate Vice President, Supply Chain



Dow has demonstrated a significant reduction in both the absolute number of incidents as well as incident rates (normalized by the number of shipments we make annually) from 2005 through 2014. From 2005 (baseline year) to 2014, Dow has reduced the number of Hazardous Material LOPCs by approximately 36 percent from baseline. While we experienced a higher number of incidents in 2014 than in 2013, it is important to note that the numbers we have presented to date have not been normalized by the number of Hazardous Material shipments we make. This number of shipments has increased dramatically since 2005, due to acquisitions and company growth, but also international changes that have resulted in many materials previously not regulated for transportation to become regulated. An examination of the annual incident rates reveals that from 2005 to 2014, Dow has experienced an almost a 50 percent reduction – from 13 incidents per 100,000 Hazardous Material shipments in 2005, to 6.7 in 2014. While the rates have been essentially flat from 2011 onward, the decline since 2005 in both the absolute number of incidents as well as the rates demonstrate the impact of our comprehensive program. Additionally, we experienced no releases of HHMs in 2014.

We also continue to reduce the severity of incidents and speed and effectiveness of response to them so potential consequences are lessened. None of the incidents reported in 2014 resulted in injuries to the general public or harm to the environment due to release of our materials. Additionally, Dow continues to support efforts to respond quickly, effectively, and safely to any incidents that do occur in transportation. Information about the Dow TRANSCAER® Training Tour can be found at <u>TRANSCAER®</u> Training Tours (TRANSCAER®: Transportation Community Awareness and Emergency Response).

During 2014, there were 36 events, for a rate of 6.7 incidents per 100,000 Hazardous Material shipments. The Company is striving to reduce the occurrence of Hazmat Transportation LOPC incidents to fewer than 14 per year, with no incidents involving HHMs by 2015.

2014 Responsible Care® Winning **Team: Dow Coating Materials LOPC Reduction Journey**



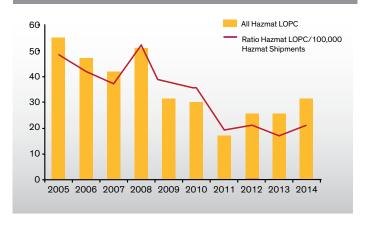


With over a 90+ percent reduction in reportable loss of DCM has reduced spills 80 percent.

Process Corrective Action Notices and High Potential LOPCs.

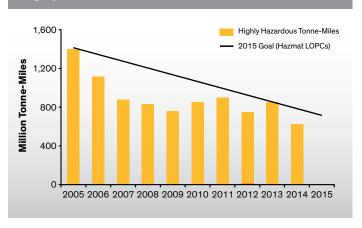
As DCM's reportable incidents approach zero, it is valuable

Hazardous Material Transportation LOPC



By reducing the number of tonne-miles of HHMs, Dow reduces the chance of in-transit incidents that could impact communities and areas through which Dow's products travel. In 2014, 632 million tonne-miles were shipped via road and rail, a 55 percent reduction from 2005. Thus we have achieved our 2015 goal to reduce tonne-miles of these materials by 50 percent from the 2005 baseline.

Highly Hazardous Material Tonne-Miles



In addition to noteworthy progress in the reduction of Hazardous Material transportation and handling incidents and HHM tonne-miles shown here, Dow has delivered on several significant fronts, including:

- Continuous improvement to our comprehensive Distribution Risk Management Process that drives business alignment with our corporate commitments and ensures risks are being appropriately and effectively managed
- A new Toxic Inhalation Hazard (TIH) material rail tank car design that will significantly reduce the chance of a release if the car is involved in an accident
- Rail Safety Act Designation by the U.S. Department of Homeland Security
- Numerous transportation emergency response training tours (TRANSCAER®) with our rail partners along the major rail corridors for Dow's HHMs
- Plans developed and being executed to reduce shipments or tonne-miles for 100 percent of Dow's businesses that ship or receive TIH materials
- An enhanced risk-based EHS & Security qualification, selection, and performance management program for our logistics service providers
- A comprehensive transportation safety and security standard that clearly defines requirements for shipments made by or on behalf of Dow
- Formation of a global transportation classification team, to ensure compliance with the complex and evolving Dangerous Goods classification regulations, and improve the coordination of this critical activity across world regions
- An improved rail shipment visibility project, with an overlaid risk analysis functionality, to ensure that we know the real-time location and lading condition of our TIH rail tank cars, to enable rapid communication and response to potential risks
- An innovative Material Handling Technology Center for Packaging, developing Most Effective Technology and Best Practices to ensure packaged products move through the entire value chain in the safest, most efficient and sustainable manner
- An active advocacy effort to present Dow's industry-leading hazardous materials transportation positions to critical stakeholders, including government, industry, and nongovernmental organizations (NGOs), to achieve alignment and support for our goals

- Implementation of an integrated crisis management plan, allowing Dow to quickly and effectively communicate (internally and externally) and respond to pending or actual crisis situations
- A strong Distribution Emergency Response program –
 included skilled, knowledgeable and well-equipped
 responders that provides assistance at many different
 levels, including mobilization to an incident scene as
 requested by the carrier or incident commander



Total environmental protection expenditures and investments by type (G4-EN31)

The amounts charged to income on a pretax basis related to environmental remediation totaled \$227 million in 2014, \$203 million in 2013 and \$197 million in 2012. The amounts charged to income on a pretax basis related to operating the Company's current pollution abatement facilities totaled \$762 million in 2014, \$720 million in 2013 and \$717 million in 2012. Capital expenditures for environmental protection were \$78 million in 2014, \$102 million in 2013 and \$145 million in 2012.

The Company is subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment, GHG emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. On December 31, 2014, the Company had accrued obligations of \$706 million (\$722 million at December 31, 2013) for probable environmental remediation and restoration costs, including \$78 million (\$73 million at December 31, 2013) for the remediation of Superfund sites. This is management's best estimate of the costs for remediation and restoration with respect to environmental matters for which the Company has accrued liabilities, although it is reasonably possible that the ultimate cost with respect to these particular matters could range up to approximately two and a half times that amount.

Dow's strong environmental policy and management lead to significant savings for the Company. Examples of by-product synergy and energy savings can be found in EN2 and EN6.



Percentage of new suppliers that were screened using environmental criteria (G4-EN32)

<u>Dow</u> engages new vendors globally. The supplier selection in each commercial area is done by Sourcing Managers who engage with multiple potential suppliers. Potential suppliers are required to provide information in several areas, including environmental practices. In addition, Dow sets expectations that all suppliers are compliant with regulations that are passed from time to time, such as REACH compliance for supplies to Europe. The product and service specifications account for environmental requirements where applicable and contract language covers adherence to environmental criteria and Dow's Code of Business Conduct. In the case of External Manufacturing, where Dow product is manufactured at a third-party site, all new suppliers go through an EH&S assessment conducted by Dow which includes environmental criteria. In addition to the Code of Conduct, Dow has established fundamental expectations for external manufacturers, which are included in contract language. There are regular audits to ensure adherence to environmental practices as specified in the Code of Conduct and the Fundamental EH&S Expectations for External Manufacturers. Examples of environmental criteria in the assessment include but are not limited to history of odors, spills, incidents, applicable environmental permits, emissions, abatement technology, and waste management. Additional certifications are also considered in the assessment process and may include: Responsible Care®, SOCMA ChemStewards®, and certain ISO standards. Additionally, Dow has an extensive risk-based program to qualify and periodically assess logistics service providers, which includes environmental criteria.



Significant actual and potential negative environmental impacts in the supply chain and actions taken (G4-EN33)

No significant actual or potential negative environmental impacts in the supply chain are reported for 2014. Incidents that occurred in the transportation and intermediate handling cycle are discussed under EN30.



Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms (G4-EN34)

Dow seeks and responds to community concerns in a variety of ways. Community Advisory Panels under Responsible Care® are a primary mechanism for a site to get community input on topics of concern, including environmental grievances. These panels are made up of selected Dow and community leaders for the purposes of conducting ongoing and open communication regarding Dow's operations, safety programs, environmental conditions, community interactions, and many other aspects of the plant that might be of interest to the community. Sites are also commonly contacted directly by the public on topics of concern.

The Company uses various tools and processes as part of Dow's environmental management systems to document any outside call with a complaint including complaints about odors, noises, potential health effects, traffic congestion, etc. received by Dow and confirmed as Dow-related. These tools and processes help Dow efficiently track, evaluate and, as may be required, report external complaints that occur at Dow facilities. In addition, Dow has developed and implemented global standards and work processes to:

- Provide global consistency in the classification of external complaints
- Collect complaint data for required public communication and internal Dow communications and awareness, including performance indicators, reported to the global businesses, line management and to the EH&S Committee of the Board of Directors
- Establish consistent reporting of complaints at all Dow locations

The number of external complaints recorded in 2014 was 9, a significant reduction from the 22 complaints recorded in 2013, 64 in 2012 and 118 in 2011.

The Company is subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment, GHG emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Further information on actual or alleged violations of environmental laws or permit requirements are disclosed in PART I, Item 1A – Risk Factors in <u>Dow 2014 10-K</u>. Further information on Dow's environmental matters are disclosed in PART II, Item 7 – Other Matters – Environmental Matters in <u>Dow 2014 10-K</u>. <u>Our Commitments</u> to Sustainability, including the environment, can be found on <u>dow.com</u>.



Great Place to Work

A Premier Employer Around the World





(G4-DMA) Dow is a company of innovators, believers and solutions providers. We offer long-term adventure and daily rewards along with the opportunity to carve out a vibrant career.

Our founder Herbert H. Dow believed that one should always try to do things better. His commitment to improving methods and products and never settling for the status quo shaped more than 110 years of discovery and innovation at Dow. We encourage Dow employees to constantly ask, "what if?" or "why not?"

Our 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.

Dow's People Vision is supported by four strategic pillars:

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

Work, Environment & Culture

We expect and nurture leadership in every employee as we challenge each other to be the best. Our commitments include:

• Protecting the planet through responsible operations, unique collaborations and the pursuit of breakthrough technologies that result in human progress.

- A workplace that thrives on continuous employee development, proactive career feedback, health and wellness offerings, flexible work policies, and a mindset of inclusion.
- A creative, dynamic and friendly work environment that values diverse perspectives, is mutually respectful, and benefits from the vision and mentoring of leaders who rank among the best in the industry.

Learning and Development

Dow invests in employees to keep them at the forefront of their respective fields. Opportunities range from daily on-the-job learning, participation in global cross-functional project teams, mentoring, classroom training, cultural training, online learning, and participation in employee networks. Development of our diverse workforce is a key pillar of Dow's People Vision of having "the world's best people, working together to make a difference." Dow's employee development model reflects a cycle of continuous learning embedded in everyday work, workplace relationships and structured learning.

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 imaginations, 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.

Leadership in Action

Dow's Leadership in Action initiative is an example of developing future leaders through a unique skills-based learning experience. Since 2013, we have sent some of Dow's promising leaders to emerging geographies, such as Ghana, Ethiopia and Indonesia to build their leadership skills while providing innovative solutions to address pressing community needs.

In 2014, Addis Ababa, Ethiopia, became fertile leadership training ground for 41 Dow employees who were deployed to the African nation to work on important community improvement projects with NGOs, and social entrepreneurs.

Leadership in Action joins the company's Dow Sustainability Corps (DSC) and Human Resources to offer a unique twist on leadership development.

DSC is part of Dow's approach to meet the world's most basic needs by matching interested and capable employee(s) with organizations that need support for sustainable development projects, especially in emerging geographies and areas of growth for Dow. See <u>Leadership in Action</u> for more information.

Enabling Work-Life Effectiveness

We recognize the many demands on Dow people's time – in the workplace, at home and in the community and offer a variety of flexible programs like job sharing, compressed work schedules and leave programs. While programs may vary by location, and will be in accordance to local practice, example options include informal flexibility, flextime, teleworking, less than fulltime, job sharing, compressed schedules, and/or various employee leave programs.

Diversity & Inclusion

Dow combines the vision, imagination and creativity of a truly global team to develop solutions for human progress. No one person, group, country or market does all; it takes a village. We believe big ideas come from anywhere and anyone.

Our solutions are reshaping our world. And at the heart of our solutions are our people. Their diversity is our strength. They reflect the world in which we do business and the communities in which we live. Dow is proud to be a champion for a fully inclusive workforce.

We have set three corporate diversity objectives to assess our progress in building and sustaining a diverse and inclusive culture at Dow:

- To be the "Employer of Choice" in strategic markets where we recruit talent.
- To develop a workforce that reflects the populations from which we recruit in the places we do business today and tomorrow. This includes, but is not limited to, ensuring that women, ethnic minorities, and people with disabilities are represented in our workforce and in our leadership levels.
- To measure and contribute to a workplace characterized by respect and where people value diverse perspectives.

We measure and track our progress on these goals – and to demonstrate to others that our commitment to diversity and inclusion is backed by meaningful actions and results.

Executive Network Council

Dow's Diversity & Inclusion strategy is driven by the Company's Executive Network Council and consists of members of the Executive Leadership Team. Each member is responsible for leading one of Dow's employee network groups. Their goal is to drive efforts that enhance our workforce so it reflects a truly diverse and inclusive environment similar to our stakeholders, customers and communities where we operate. See <u>LA12</u> for a more detailed description of Dow's Diversity & Inclusion strategy.

Nurturing an Inclusive Environment

From formal training to policies that promote inclusion, accessibility and equal treatment, we invest in growing our understanding and appreciation of the differences among us to thrive.

Advancing Individual Potential

Our workforce is comprised of exceptionally talented employees. Each individual's skill and willingness to work as "One Team" makes us one of the most competitive companies in the market.

Every day, we are committed to building a vibrant, diverse and talented employee-base, investing in each employee's growth and development through professional training and mentoring, community involvement and team building.

Our training programs are designed to challenge our employees and prepare them for the next step in their careers.



Championing Inclusion through Employee Networks

Our seven employee networks are key partners in helping us connect and engage talent. With over 170 chapters worldwide, our Networks are just one way we are making inclusion a hallmark of Dow.

Several of the employee networks have formed partnerships with external organizations to drive progress and change, develop community programs and pursue other outreach opportunities.

In addition to the employee networks, we also support informal employee groups, such as working parents, young professionals, and biking clubs to promote camaraderie, teamwork and fun in the workplace.

African-American Network (AAN)

The African American Network (AAN) focuses on supporting employees with their transition and development within the Dow Chemical Company. Its mission is centered on creating opportunities for employees to develop mentoring and networking relationships that enhance their career potential.

Asian Diversity Network (ADN)

Our Asian Diversity Network (ADN) promotes the personal and professional development of Dow employees across the company by offering a networking forum with peers and leaders, creating mentorship opportunities, and providing resources to develop skills necessary to succeed throughout all career stages. ADN also advocates for greater Asian cultural awareness across the company.

Disability Employee Network (DEN)

Our Disability Employee Network (DEN) leads the charge to break down stereotypes around people with disabilities. Our continuing sponsorship of the Paralympic Games and partnership with the U.S. Business Leadership Network (USBLN) highlights the talents of people with disabilities, as well as the change in culture required for companies to embrace recruiting and working with people with disabilities.

Gays, Lesbians & Allies at Dow (GLAD)

Dow's historic and long held commitment to improving lesbian, gay, bisexual, and transgender (LGBT) workplace equality began more than a decade ago when it formed the Chemical industry's first LGBT employee resource group, GLAD. GLAD has partnered with Dow leadership globally to advocate for equitable and inclusive policies and practices. Dow and GLAD have consistently received a 100% rating from the Human Rights Campaign's Corporate Equality Index annually from 2004-2014.

Hispanic Latin Network (HLN)

The mission of the Hispanic Latin Network (HLN) is to engage and inspire employees to contribute to Dow's success, by creating and promoting career, educational, mentoring and networking opportunities. HLN works to increase the visibility, skills and engagement of its participants by focusing on three pillars: to build the pipeline of Hispanic Talent, to develop and engage through activities and trainings, and to contribute to an inclusive environment that helps participants strengthen relationships cross-functionally.

Middle East Intercultural Network (MEIN)

The Middle East Intercultural Network (MEIN) is focused on breaking stereotypes and bringing awareness and inclusion of Middle Eastern culture. As Dow continues to focus on the Middle East as an important part of our strategic growth, the goal in MEIN is to provide insight to individuals working, living, and conducting business in the Middle East.

Women's Innovation Network (WIN)

Our Women's Innovation Network (WIN) supports the professional development of women around the world, offering mentoring and networking opportunities, and providing access to professional development tailored to the unique needs of women at critical career stages.

Championing Inclusion in Our Communities

Through charitable and volunteer efforts, Dow employees are enhancing many communities around the world, as well as building stronger relationships and connections with one another. Here are just a few examples of diversity organizations that Dow supports through its philanthropy and volunteerism.

NACME (National Action Council for Minorities in Engineering)

Dow's contribution helps create opportunities for underrepresented minority youth to pursue engineering studies, and helps ensure the successful graduate access to a potentially exciting and rewarding career.

Dow Promise

This outreach program works with external partners to help overcome educational and economic challenges of African-American young people and adults in communities near Dow sites.

Out & Equal

This national nonprofit organization headquartered in San Francisco, Calif., advocates safe and equitable workplaces for LGBT people.

My Handicap

Dow Europe supports this organization, which focuses on meeting the needs of people with disabilities in everyday corporate life, increasing employment of people with disabilities and promoting barrier-free work infrastructures.

Women's Empowerment Principles

A partnership of UN Women and the UN Global Compact, this initiative joins 167 companies and other organizations from around the world in their mission to promote gender equality and women's empowerment.

Achieving our People Vision

Beneath each pillar 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 by comparing its annual Global Employee Opinion and Action Survey (GEOAS) scores against benchmarks established by 40 premier employers via the Mayflower Group. This is a

consortium of leading global companies representing a variety of industry sectors. They include 3M, Corning Inc., The Boeing Company, Microsoft Corporation, GE, and Ford Motor Company. Based on recent engagement data, Dow is committed to focusing on three areas of improvement – opportunity to grow in current role, recognition for doing a good job, and work-related stress, as these areas have a significant impact on overall engagement. See section G4-26 (of this report) for a detailed description of Dow's approach to employee engagement.

Our Values

The Company highlights three overarching values: Integrity, Respect for People, and Protecting Our Planet. These values define our core culture and create a focus to help make Dow a great place to work.

Code of Business Conduct

The Diamond Standard, Dow's Code of Business Conduct summarizes many of the ethical principles and policies created to deal with issues such as bribery, political contributions, equal employment opportunity, and environment, health and safety. All of us at Dow, no matter where we happen to live, are expected to apply these principles in the daily performance of our job responsibilities.

Office of Ethics and Compliance

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.

Dow EthicsLine

The Dow EthicsLine is a toll-free help line, available 24 hours a day, seven days a week. The help line is available to those who wish to ask questions about Dow policy, seek guidance on specific situations, report violations of Dow's Code of Business Conduct or other unethical business practices. Translation services are available for employees if they prefer to speak in their native language. The communications specialists who answer the calls are employed by an independent company, and are trained to handle calls confidentially. The Dow

EthicsLine is also available in multiple languages on the web for individuals who may be more comfortable reporting their concerns in writing. The same confidentiality safeguards that are in place for telephone reporting are in place for this option as well.

Equal Employment Policy

Dow is committed to supporting the principles of Equal Employment Opportunity for all our employees and to eliminating discrimination in the workplace.

The Company will ensure that all present and prospective employees are assessed on their skills, qualifications, abilities and aptitudes. Selection for specific jobs and career progression will be determined only on the basis of personal merit and performance.

Our competitive advantage and continued success depend upon the talents and potential of all our people. We must all respect and recognize the diverse qualities of our co-workers, and it is therefore the responsibility of every employee to create an environment free from discriminatory activities and practices.

We value the differing experiences, backgrounds and perspectives our employees bring, and rely on those differences to fuel innovation. We are committed to building a vibrant, diverse and talented employee base - investing in each employee's growth and development as part of Dow's inclusive global community.

When we respect the diversity of our workplace, we create an inclusive environment where everyone can perform to his or her highest potential.

We strive to create an environment of mutual respect, free from harassment and unprofessional behavior. Our Respect and Responsibility Policy demonstrates our commitment to preventing all inappropriate behavior in the workplace. We avoid conduct and statements that are degrading, offensive, humiliating or intimidating to others. Seemingly innocent actions can create an environment that may be offensive, and we should be alert to our own behavior and the effect it may have on others.



Labor Performance Indicators

Aspect: Employment

A career at Dow is an invitation to explore, create and make valuable contributions to human progress. We're a global team of problem-solvers, impacting everything from automobiles to agriculture. There's a science to our success.

We're an inclusive community highlighted by respect, collaboration, open and honest communication and a diverse culture. We offer long-term adventure, daily reward, and the opportunity to carve out a unique and vibrant career.

As an example, the MBA Sustainability Leadership Internship Program at Dow provides a unique opportunity for catalyzed learning around real-world projects and challenges facing the markets that we serve. The program delivers an exceptional experience for talented MBA students who can bring new ideas and insights to the needs of a changing global marketplace through strategic integration of sustainability directly into a Dow business.



Total number and rate of new employee hires and employee turnover by age group, gender, and region (G4-LA1)

New Employee Hires, by Gender, by Region*

New Employee Tille	Male	Female	Total Number
Globally	62%	38%	4,096
North America	71%	29%	2,055
Latin America	67%	33%	604
Europe	62%	38%	592
India	73%	27%	96
Middle East/Africa	62%	38%	121
Asia Pacific ex China	67%	33%	315
China	59%	41%	305

^{*} Dow does not report new hires by age, but as a result of the Company's hiring practices, there are not significant differences between the ages of male and female new hires.

Dow reports attrition for both voluntary exits (which includes retirements as well as employees separating for other reasons) and involuntary reductions. In 2014, the global voluntary attrition rate was 4.7 percent (down from 5.0 percent in 2013) and the involuntary rate was 7.0 percent (up from 4.8 percent in 2013).

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

Voluntary Attrition by gender, by region:

	EMEAI	Latin America	North America	Asia Pacific	Global
Male	4.2%	4.3%	5.2%	4.3%	4.7%
Female	4.8%	6.1%	5.1%	5.9%	5.3%

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

- 4.9 percent for 0-1 years of service
- 7.2 percent for 1-3 years of service
- 6.2 percent for 3-5 years of service
- 4.0 percent for 5-10 years of service
- 2.4 percent for 10-15 years of service
- 3.2 percent for 15+ years of service

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

- 4.7 percent globally
- 5.2 percent for North America
- 4.5 percent for Latin America
- 3.4 percent for Europe
- 7.4 percent for India
- 4.9 percent for Middle East, and Africa
- 4.5 percent for Pacific excluding China
- 5.5 percent for China



Benefits provided to full-time employees that are not provided to temporary or parttime employees, by major operations (G4-LA2)

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 plans
- Medical plans often including prescription drug coverage and dental
- · Life insurance
- Disability protection
- Accident insurance
- · Paid vacation, holiday and leave programs
- Business travel accident insurance
- Stock purchase plan



Return to work and retention rates after parental leave, by gender (G4-LA3)

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 data below include employees who either took parental or other family leave, for any reason.

- In 2014, 171 employees took a maternity or family leave. 32 percent were male and 68 percent were female.
- Of these 171 employees, 98 returned to work as of December 31, 2014. Of these employees who returned, 51 percent were female, and 49 percent were male.
- Of the 98 employees who returned to work following their leave, 98 percent are still with Dow, as of May 31st, 2015.
 Of the 73 employees who remained on leave, 90 percent were female and 10 percent were male.

Aspect: Labor/Management Relations



Minimum notice periods regarding operation changes, including whether it is specified in collective agreements (G4-LA4)

Dow has a proven history in recognizing and respecting all labor and employment laws in the countries and markets in which we operate. We maintain strong relationships with organized labor in the many different regions of the world where Dow operates. We strive to create mutually beneficial agreements for both our people and our business.

Contract negotiations between labor relations, industrial union representation, and Dow employees regularly occur on an on-going basis. Agreements are developed specifically for each organized labor group. Safety concerns are always nonnegotiable, as Dow maintains a strong safety culture and has one of the best safety records in the industry.

There is no globally established minimum notice period for operation changes. However, the stipulations regarding what would happen in the event of operation changes are always agreed upon ahead of time by all parties and included as a clause in the labor contract. Stipulations regarding action taken in the event of operation changes may vary by region.

Dow makes a conscious effort to keep all employees well informed of operational changes through a variety of channels. Corporate, business and functional specific news is communicated through our global intranet which can be accessed by all Dow employees 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. Bi-weekly joint committee meetings regularly occur between labor relations, industrial union representation, and Dow employees to discuss a wide range of topics, from safety concerns to administrative issues, and give bargained-for employees a regular forum to voice concerns. See LA16 for a description of the formal grievance process.

Aspect: Occupational Health and Safety



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 (G4-LA5)

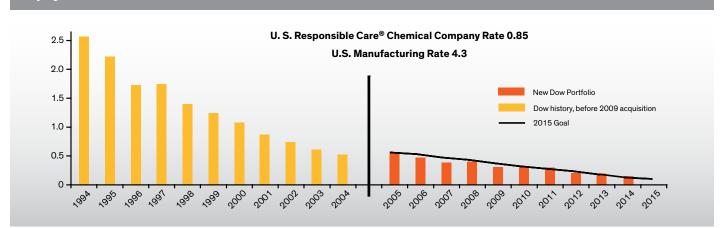
"Drive to Zero" continues to be our vision. As we approach 2015, our resolve to achieve our goals must intensify. Drive to Zero is not mostly about rates, statistics, numbers or metrics, although these are important ways to measure our progress. It is about people, and keeping our people, facilities, environment and communities safe.

In 2005, Dow launched the Drive to Zero campaign. Between 2005 and 2014, these efforts prevented more than 1,300 injuries and more than 9,000 spills. But lives are still being affected by injuries and incidents.

As part of the highly successful Drive to Zero effort, the SAVE A LIFE campaign was introduced in late 2014. This campaign features a new metric called LIFE or Life-changing Injury or Fatality Event. LIFE creates a greater sense of urgency around life-threatening injuries and potential life threatening injuries. We are confident that we can achieve zero fatalities each year by focusing on potential life threatening or life altering events, and treating near misses and potential life threatening injuries as if they were actual injuries.

Dow also 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 additional policies and practices. In 2012, the Drive to Zero campaign was revitalized with a new slogan "LIVE IT!" We are taking the strong foundation and organizational commitment of Drive to Zero to the next step with this new campaign and encouraging everyone to "LIVE" the commitments they have made.

Injury and Illness Rate



"EHS Operations is helping Dow "Drive to Zero" by enabling reliable EH&S performance and instilling a passion for safety in our people, both at Dow and at home."

- Peter Holicki

Corporate Vice President of Manufacturing and Engineering Environment, Health & Safety Operations and Emergency Services & Security





Rates of injury, occupational diseases, lost days, and absenteeism and the number of work-related fatalities by region and by gender (G4-LA6)

The overall Injury and Illness rate is a highly visible metric of the Company's 205 Sustainability Goals. 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 34,000 recordable incidents involving Dow employees and contractors.

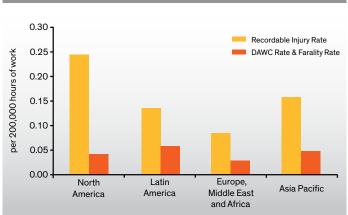
Comparative Injury/Illness rate (incidents/200,000 hours)

	Values for 2014	Values for 2013
Dow employees and contractors	0.19	0.20
U.S. Chemical Manufacturing (2013 most recent data available)	2	.0
All U.S. Manufacturing* (2013 most recent data available)	4	.0

The comparative injury/illness rate information from the U.S. Bureau of Labor Statistics provides the context for Injury and Illness performance (for U.S. operations).

The safety performance of Dow employees and contractors by region is illustrated in this graph. Variations in culture, employee and contractor make-up, and regulatory drivers explain much of these differences.





Safety by gender data for Dow employees in the United States

Gender	2012 Recordable Injury Count	2013 Recordable Injury Count	2014 Recordable Injury Count	2012 Recordable Injury Rate	2013 Recordable Injury Rate	2014 Recordable Injury Rate
Male	58	42	44	0.32	0.24	0.24
Female	15	15	15	0.22	0.22	0.21

The contractor rate of Injury and Illness in 2014 was 0.20, while that of employees was 0.18 injuries per 200,000 hours.

Days Away from Work Injury and Illness Cases (DAWC) are included in the Dow Injury and Illness rate. In 2014, DAWC occurred at a rate of 0.046, down from 0.050 per 200,000 hours in the prior year.

The illness rate in 2014 for employees and contractors combined was 0.006 per 200,000 hours.

For the first time since 2009-2010, there were no fatalities reported in 2014.

Information on absenteeism is not aggregated by the Company.



Workers with high incidence or high risk of diseases related to their occupation (G4-LA7)

Dow's health strategy aims to optimize health in employees and their families through an integrated program relying upon the expertise of scientists, health and safety professionals, and supportive benefit options. Protection of workers from occupational health risks is a critical element. Dow controls occupational health risks in our workers' environments. Comprehensive workplace risk assessments are completed to evaluate hazards in the chemical manufacturing, office, and field settings. Workers are provided detailed education and training, along with specific procedures for safe operation. General health prevention programs to reduce overall health risk are provided. Risk control measures in the workplace are implemented and emergency planning is coordinated with external medical and public health experts. Detailed exposure controls are implemented as global standards. All workers are provided baseline and periodic medical screening, testing, evaluation and health counseling to identify and control health problems. Clinical treatment is available, which includes specialized protocols for Dow's workplace. Finally, health results are carefully monitored for trends, including summaries of health trends and directed health epidemiology studies.

Preventive Health Strategy for Workplace Health and Safety

STRATEGY	RISKS		
	Workplace	Community	
Risk Identification	X	X	
Education and Training	X	X	
Prevention Programs	X	X	
Public Health Coordination	X	X	
Exposure Risk Control	X	X	
Medical Screening	X	X	
Treatment	X	X	
Monitor Results	Х	X	

In addition, linking to the community is a critical aspect of prevention. Community health risks are examined and opportunities for community health partnership are initiated. An example of Dow/community health partnership is the Michigan Health Improvement Alliance in central Michigan. Workers in each area and travelers to the region are given specific advice about endemic health problems, such as communicable disease issues, vaccinations, air quality, and social conflicts. Education and prevention programs are implemented, including medication prophylaxis, vaccination, and medical treatment. Pandemic and crisis management planning for emerging risks are implemented when necessary. In some cases, direct support for the community is also provided (e.g., hurricane damage, tsunami, radiation, HIV/AIDS).

2014 Responsible Care® Winning Team: Global Rope Access Implementation



Team members: Diana Miles, Doug Heydrick, Larry Sossamon, Jill Torres, Meghan Watt, Nathalie de Somer, Tim Sparkman, Kevin Noble, Cathleen Glaeser, Robert Baker, Al Cagle, Chester Robinson, Dagmar Krettek, Abel Sanchez, Fabiola Sansigolo, Andrew Olander, Albert Cotton, Eduard de Bree, Gene Roberts, Jerred Bellina, Damina Guerricagoitia, Joseph Shippee, Linda Potts, Arno Bentschap Knook, Allan Breazeale, Tulsa Cortez, Julie Roussell, Evens Barber, Jeroen Bakker, Michael Stolze, Joel Dawson, Hunter Mouch, Troy Broussard, Joshua Sullivan, Diana Miles, German Perez, Jeramie Morris, Ernest Huerta, Jason Cantrell, Richard Larson, Ellen Martin, Michael Mendes, Craig Falcon.

Dow's maintenance organization opted to implement rope access as an alternative to building scaffolds where appropriate.



two independent systems to ensure worker safety.

The working rope system supports the worker while a second rope

system provides redundant fall protection. Rope access jobs are carried out only by certified rope access technicians.

Rope access technology implementation has reduced the overall safety risk for jobs requiring elevated access, reduced the need for costlier scaffolds, reduced the amount of time required to set up and execute a job and has reduced plant congestion.

Employee / Family Health	Protection of Worker Health Toxicology Industrial Hygiene Safety Health Services Epidemiology
	Enhancement of Health for Dow People Healthcare Benefits Health Promotion
Public Health / Societal Good	Healthy Communities
	Product Stewardship
	Products targeting Health Needs
	Products that Solve World Challenges

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 are available on-site at approximately 83 Dow clinics globally.
- Periodic Employee Health Assessment examinations screen 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. Review of medical surveillance testing results for specific Dow workgroups has shown an improved health risk profile continuously since baseline of 2004, including a 19 percent reduction in high risk people and a 22 percent increase in low risk people.
- 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.
- Employee Assistance Programs are offered globally. These provide assistance for employees and families for issues such as general stress, anxiety, finances, and family relations.

Dow's health program is recognized internationally and the Company is regularly invited to present as a benchmark model program or to provide scientific information to assist regulators and experts evaluate risks. Some examples include: International Neurotoxicology Association, International Commission on Occupational Health, American Cancer Society, Workplace Health Initiatives, the Institute of Medicine, U.S. Environmental Protection Agency, California Office of Environmental Health Hazard Assessment, Dutch Health Council, Center for Disease Control, Occupational Safety and Health Administration, National Institute for Occupational Safety and Health, 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.).

In summary, integrated approaches in the workplace and community collectively address occupational health risk and focus on prevention and optimizing health.



Health and safety topics covered in formal agreements with trade unions (G4-LA8)

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



Aspect: Training and Education



Average hours of training per year per employee, by gender, and by employee category (G4-LA9)

The Dow Sustainability Network, made up of employees from around the world, meets throughout the year to focus on educational topics related to sustainability. Often the topics are specific to addressing a sustainability challenge within the Company. The network also hosts external sustainability leaders who share their expertise to inform and inspire our employees on the sustainable solutions for tomorrow. The Sustainability Network provides the opportunity for any Dow employee to engage in an open dialogue on internal and external sustainability topics, which promotes the integration of sustainability into our day-to-day to actions. In 2013, Dow added a mandatory sustainability course to our new employee curriculum.

Dow's philosophy of continuous learning and development is supported by a robust curricula assigned to leaders and employees. Recognizing that effective leadership is a critical link to employee engagement, the Company's leadership development solutions target employees transitioning to people leader roles. A smooth and successful transition is important for leadership effectiveness. That's why, within the first 90 days, new leaders are expected to participate in training that establishes the "rules of the road" for their new role. Policies and procedures are explained, with the purpose of guiding the new leader to support their new team and lead through inspiration and by example. In addition, the Company offers both structured learning courses and online reference portals for experienced leaders, enabling them to continue to develop their leadership skills.

Dow encourages continuous learning – in classrooms, on assignment and through mentoring and networking as a way of enabling employees to sharpen their knowledge, skills and abilities. In 2014, 4,345 employees participated in Great Start@ Dow, an on-boarding development program critical to setting new employees up for success – immersing them in Dow's structure, culture and strategy.

For ongoing training, employees use the online 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 in this same MyLearning development tool. There are now more than 32,000 courses available in the MyLearning system.

In addition to myLearning courses, Dow employees complete thousands of hours of job-specific training annually.

Dow's training opportunities include both traditional classroom and virtual instructor-led training, hands-on training, blended training, and an extensive database of online training courses. Training and education varies by job role and responsibilities. On average, there were 62 hours of training per employee in 2014. Dow has extensive training programs for employees involved in every job category.

In 2014, leaders across the company completed 11,078 leadership training sessions. In 2014, Dow people leaders participated in Unconscious Bias training, as Dow continues to build an inclusive culture and diverse workforce that reflects our stakeholders, customers and the communities in which we do business. Also in 2014, Dow implemented an upgraded enterprise resource planning system, which required a significant training investment.

Training hours per employee by gender and category (myLearning courses only)

	Male Avg	Female Avg
Admin	41	29
Professional	45	50
Tech	76	44
Other	123	70

"Dow remains committed to attracting the world's top talent and unleashing their passion and expertise to find solutions to society's greatest needs. We view our focus on employee development as an investment in a sustainable future for Dow, for our communities, and for the planet."







Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings (G4-LA10)

Dow employees have access to materials that support the entire employee life cycle, with the wealth of resources available on Dow's online people resource, My HR Connection. My HR Connection gives employees access to development resources, online internal job postings, compensation and benefit information, and health and wellness programs among other topics including late stage career planning. Employees take advantage of these offerings to develop their careers, enhance their employee experience and plan for career changes.

Examples include:

- Employee worksheets exploring personal and career values, preferences and orientations
- Forms and guidelines to prepare for employee career development discussions
- Global Educational Assistance supports employees in pursuing external training/educational opportunities for career development
- Access to HR and retiree service call centers for personalized answers to HR questions
- Benefits counseling for employee retirement planning purposes
- Financial planning seminars for all employees
- Total health, nutrition and wellness centers and associatedprograms and counseling



Percentage of employees receiving regular performance and career development reviews by gender (G4-LA11)

Performance Management (PM) strives to maximize the connection between employee development and organizational performance. Both leaders and employees together play a key role in ensuring the effectiveness of Performance Management by establishing SMART goals, encouraging continuous development feedback and dialogue, and reviewing progress on an on-going basis throughout the year, both formally and informally. Performance Management aligns with Dow's overall employee development strategy by building skills that promote change, aligning behaviors with corporate strategies and ethical standards, and providing employees opportunities to improve their performance and effectiveness.

Our Performance Management cycle provides a structure to facilitate the alignment of expectations and goals, the integration of on-going coaching and feedback and the summary of contributions – both "What" (core job, goals, impact) and "How" behaviors and competencies.

The steps below are key elements:

- Aligning Expectations & Establishing Goals
- Ongoing Coaching, Feedback, and Reviews
- Summarizing the Annual Contribution
- Annual Review

Setting clear, meaningful and challenging performance expectations along with providing regular coaching and feedback are critical leadership skills. Our leaders are encouraged to partner with their employees to identify their strengths as well as opportunities for development. This on-going collaboration is one way we can engage our employees and drive Dow's success.

The Performance Management cycle concludes with a formal review of annual performance. This discussion features feedback on highlights and areas for development from throughout the year, which employees use to craft personal development goals for the coming year. In preparation for that discussion, leaders gather multi-rater feedback to enhance the quality of feedback and ensure multiple inputs to performance ratings.

100 percent of eligible employees receive an Annual Performance Review and have a performance rating in the system. On our annual engagement survey, we ask our global employee population to self-report whether they have experienced a recent Annual Performance Review and/or employee development discussion. This information is helpful for global talent management to understand the effectiveness of the Performance Management process.

Employees who self-reported having had an Annual Performance Review in last 12 months

2014 Global Dow, %		
Male	91	
Female	92	
Total	91	

Employees who self reported having had an employee development discussion in last 18 months

2014 Global Dow, %			
Male	82		
Female	81		
Total	82		

Aspect: Diversity and Equal Opportunity



Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity (G4-LA12)

Diversity and Inclusion Strategy

To be sustainable, Dow must remain well positioned to attract, develop and retain the best talent from an increasingly diverse and global talent pool, regardless of national origin, gender, age, language, race, religion, disability, sexual orientation, or gender identity. Of course, having a diverse workforce isn't enough. We need to continue in our efforts to create a respectful and inclusive culture where diversity is truly valued and leveraged to its highest potential.

The Company's Diversity and Inclusion agenda is stewarded by the Executive Network Council, which is chaired by Dow Executives. The Council is responsible for improving the diversity mix in the corporation to drive business success. All Executive Sponsors of our Global Employee Networks are standing members of the Council.

Dow continues in its commitment of support to the UN Women's Empowerment Principles (WEP), signed in 2011 by Andrew Liveris, Dow's Chairman and CEO. The WEP is a partnership initiative 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 WEP, Dow is reporting a broad range of data related to women's equality to create greater transparency around our efforts.

Dow's Diversity and Inclusion objectives are established by Dow's Executive Network Council. Behind each objective is a set of metrics and actions to drive progress:

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

- Target "Best Employer" Awards
- Partnerships to enhance the diversity of the talent pipeline
- Diversity of Hiring Pools and Improved 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.

- Marking the 10th consecutive year of recognition for its continued leadership of and commitment to lesbian, gay, bisexual and transgender (LGBT) rights in the workplace, Dow was honored by the Human Rights Campaign (HRC) for achieving a 100 percent rating on its Corporate Equality Index in 2014.
- National Technical Institute for the Deaf has honored Dow as an outstanding employer.
- 2014 One of China's Top Employers (Corporate Research Foundation).
- Best Companies To Work For 2014 in Brazil (Você S/A Magazine).
- 2014 Best Places to Work in Poland (The "Great Places to Work" Institute).

Dow partners with several organizations globally 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) careers. Selected examples include:

- Created the Dow STEM Executive Council to strategically organize STEM education efforts and ensure strategic use of Dow resources to maximize impact at the classroom level
- Provisioned DowGive Education grants to eight schools across Brazoria County, Texas to take STEM learning to new levels
- Supported an academic program for at-risk girls in Pittsburg, California that demonstrated how science is integrated into every aspect of life to encourage girls to pursue STEM careers
- Philadelphia Education Fund recognized Dow's commitment to STEM education with the presentation of the 2013 EDDY Award for Star Business Commitment to Education

- Opened Dow Chemistry lab in Tianjin, China in partnership with China Association for Science and Technology
- 100,000th student visits the Dow Chemical Foundation supported "In Touch with Chemistry" lab in Central Germany
- 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 STEM education and careers
- Dow Europe has entered into a multi-year agreement with MyHandicap, with the goal to improving measures to integrate people with disabilities and promoting barrier-free work infrastructures
- Partnered with the National Society of Black Engineers (NSBE) to bring Summer Engineering Experience for Kids (SEEK) to Philadelphia and Detroit in summer 2013
- Established a great working relationship with National Technical Institute for the Deaf to identify and hire students and graduates for co-ops or permanent jobs

2014 Diversity Hiring

	Females	Minorities
Entry-level Professional	42%	30%
Mid-level Professional	34%	29%
Leadership	30%	24%

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

In addition to working to ensure that women and minorities in the U.S. have equal opportunities, we also work specifically to create an inclusive work place for all employees including Lesbian, Gay, Bisexual, and Transgender (LGBT) employees, people with disabilities, veterans, and employees from all cultural backgrounds.

Diversity indicators for the overall employee population

By gender, globally:			
Male	72%	36,643	
Female	28%	14,500	
By age:			
Under 30	16%	8,360	
30 to 50	55%	28,213	
Over 50	28%	14,571	

By U.S. ethnic minority (data are gathered only for U.S.)

Minority	22%	5,092
Non minority	78%	18,528
By age:		
Under 30	14%	736
30 to 50	56%	2,837
Over 50	30%	1,519

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

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 more than 150 chapters of its seven Employee Networks around the world
- Mentoring programs
- 18 month women and minority sponsorship program. The purpose and goals are:
 - To invest in the development of female and minority talent to accelerate Dow's transformation by bringing diverse perspectives to the table
 - To foster the advancement of high performing female and U.S. minority talent from individual contributor to leadership roles
 - To leverage the critical program component that pairs each participant (Sponsee) with a senior leader (Sponsor) who will serve as an advocate and provide career development coaching
 - To enhance exposure and visibility of the "Sponsee" to support advancement
- World-class Leadership Development and Executive Education programs, each of which includes an emphasis on inclusive leadership and cross-cultural competency building

Objective 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 that enables Dow to monitor the degree to which its working culture is marked by inclusion and respect. The overall index was 76 percent in 2014, up 2 percentage points from the previous survey.

We are committed to driving these scores higher and achieving top quartile performance as benchmarked against the Mayflower Group, a consortium of premier companies that provides global survey norms.

Several initiatives support this goal:

 An enterprise-wide objective to train all leaders on unconscious bias; the course is designed to increase understanding of how unconscious bias can potentially

Global workforce, by gender by job family

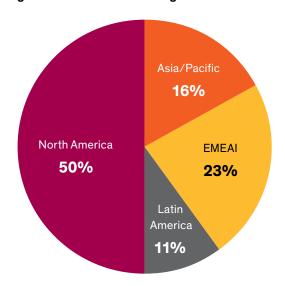
	Female	Male
Administrative	86%	14%
Professional/Manager	34%	66%
Global Leader/ Executive	14%	86%
Technical Employees	18%	82%

hinder talent utilization, while creating a supportive framework for leaders to build competency and accountability in leading and getting the most out of a diverse workforce

- 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, disability etiquette, and on-demand learning resources around LGBT issues and generational differences
- Efforts to raise cross-cultural awareness and understanding range from lunch-time language classes, to access to an online Cultural Navigator

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

The regional distribution of Dow's global female workforce:



Representation, by job family and gender, regionally

		iddle East, nd India	Latin America		North America		Asia Pacific	
	F	M	F	М	F	M	F	M
Administrative	93%	7%	66%	34%	91%	9%	93%	7%
Professionals and Managers	32%	68%	39%	61%	33%	67%	34%	66%
Global Leaders and Executives	3%	97%	0%	100%	18%	82%	0%	100%
Technical Employees	17%	83%	11%	89%	18%	82%	20%	80%

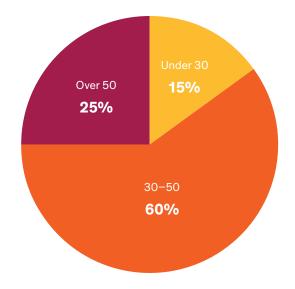
Representation of women in leadership roles, globally

Mid-level Female Leaders	22%
Senior Female Leaders/Executives	18%

Representation of US minorities in leadership roles, US

Mid-level Minority Leaders	13%
Senior Minority Leaders/Executives	10%

The distribution, of Dow's global workforce by age



U.S. Workforce, by ethnic minority

Minority	22%
Non minority	78%

Diversity Indicators for the 23,534 employees in Professional and Management job positions

By gender	
Male	66%
Female	34%
By age	
Under 30	15%
30 to 50	60%
Over 50	25%

Diversity Indicators for the 11,319 employees in U.S. Professional and Management job positions

By U.S. ethnic minority	
Minority	21%
Non minority	79%

Diversity Indicators for the 153 employees in the **Global Leader category**

By gender	
Male	86%
Female	14%
By age	
Under 30	0%
30 to 50	40%
Over 50	60%

Diversity Indicators for the 128 U.S. employees in the Global Leader category

By U.S. ethnic minority	
Minority	20%
Non minority	80%



Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation (G4-LA13)

Global pay equity studies have been conducted at Dow over the last 20 years, in order to assess fair treatment and ensure our pay practices are being implemented appropriately. These studies are updated bi-annually. The most recent analysis was conducted during 2014, following global pay planning activities.

The impact of gender on pay decisions is examined globally, and the impact of ethnicity is examined in the U.S. Dow's three components of compensation are analyzed (base pay, performance award and long-term incentives).

The studies examine any impact to pay differences that cannot be explained by legitimate factors (e.g., performance ratings, job level, education, years of service, time since promotion, age and/or geography).

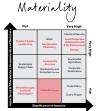
The 2014 pay equity study found no significant difference in base pay, performance award, or long-term incentives between genders or between U.S. minorities and non-minorities. Pay differences were attributable to the legitimate factors listed above, and not to gender or ethnicity.

These results demonstrate that pay equity existed at Dow in 2014, and that global pay planning guidelines are being applied appropriately across Dow.





Percentage of new suppliers that were screened using labor practices criteria (G4-LA14)



Dow previously issued a Code of Business Conduct to all its suppliers and continues to leverage this Code of Conduct in new supplier engagements. The Code of Conduct covers the expectations Dow has of its suppliers across the globe. The requirements of the Code of Conduct are built into supplier contracts to ensure that these

are contractually enforceable, and Dow reserves the right to audit supplier compliance at any time. The Code of Conduct lays down the expectations around legal labor practices. In the case of External Manufacturing where Dow product is manufactured at a third party site, there are regular audits to ensure adherence to practices specified in the Code of Conduct and the Fundamental EH&S Expectations for External Manufacturers. All new suppliers selected are in line with acceptable labor practices. For many materials, particularly those designated as hazardous, Dow provides written Safe Handling Guides and in some cases, training sessions, to ensure awareness of safety procedures. Additionally, Dow is an active member and participant in the chemical industry Responsible Care® initiative.

See Dow's Code of Business Conduct for Suppliers (available in multiple languages)and to Supplier Responsibilities for more information.



Significant actual and potential negative impacts for labor practices in the supply chain and actions taken (G4-LA15)

There are no significant actual and potential negative impacts for labor practices in the supply chain that have been reported for the year 2014.



Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms (G4-LA16)

Dow has a formalized grievance process for concerns involving organized labor practices. The grievance process is based on five levels of investigation. An issue must be escalated through each of the levels before reaching the ultimate status of a grievance which may have implications for the labor contract. The vast majority of issues are resolved at levels one through three, that are addressed locally in the region. Representatives from labor relations get involved if an issue is escalated to level four. If the issue is still not resolved, it is escalated to level five. A level five issue is addressed seriously by the company as an officially recognized grievance.

In the interest of continuing mutually beneficial relationships with our employees, Dow does not report grievance statistics externally. We monitor the grievance to arbitration ratio and the grievance to arbitration ratio internally, and benchmark our labor practices externally with other leading global organizations. The relative number of issues that become a level five grievance is very low for global Dow.









Human Rights Summary (G4-DMA)

Dow believes that respect for the dignity, rights and aspirations of all people is a cornerstone of business excellence.

This position, integral to Dow Values and Code of Business Conduct, extends to every Dow employee and to all people who work at any of Dow's facilities around the world. We also expect our business partners to embrace similar values and standards.

Dow's Values and Code of Business Conduct are influenced by and reflect the fundamental principles described in the United Nations Universal Declaration of Human Rights. We respect the sovereignty of governments around the world and the responsibility of governments to protect the human rights of its citizens. Dow also has a significant role to play by ensuring compliance to local laws, regulations and customs.

Living the values of Integrity and Respect for People is core to the way we do business. Global enforcement of Dow's Code of Business Conduct is fundamental to our human rights position and performance.

- 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 Diamond Standard, Dow's Code of Business Conduct, summarizes many of the ethical principles and policies created to deal with issues such as bribery, political contributions, equal employment opportunity, and environment, health and safety. All of us at Dow, no matter where we happen to live, are expected to apply these principles in the daily performance of our job responsibilities.

The complete Code of Business Conduct is available in 24 languages and can be found on dow.com. Information about relevant training can be found in <u>HR2</u>.

The Office of Ethics and Compliance, in conjunction with Regional Ethics and Compliance Committees (RECCs), is responsible for Code administration, with oversight by the General Counsel and the Audit Committee of the Board of Directors. The RECCs comprise the Country or Regional Leader, along with senior Finance, Human Resources and Legal personnel, and may include other senior employees.

In order to deploy people effectively Dow identifies competencies needed to successfully fill specific job roles. The essence of the <u>Code of Business Conduct</u> 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. For example, 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. Please visit the website to learn more about Sadara's Ethics and Compliance, including Sadara's Code of Ethics & Business Conduct and Suppliers' Code of Conduct.

HR1, HR2, and HR10 provide further 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 manufacturers that directly or indirectly involve personal risk to utilize well designed and effective security practices. Dow has been a leader in helping the U.S. 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 111 and SO2 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 <u>Dow Code of Business Conduct for Suppliers</u> for more information about how we assess and manage risk to human rights violations related to our purchasing activities.

GRI G4 guidelines suggest that 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 HR8 – HR12 for indigenous rights, assessment, remediation comments and supplier human rights assessments.

The most senior position with responsibility for Human Rights Aspects is the Chief Sustainability Officer, a position held by Neil Hawkins.

Use the <u>index</u> to review indicators that readers may find of most interest in this section.

Human Right Performance Indicators Aspect: Investment



Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening (G4-HR1)

Dow has an established process for due diligence and implementation phases of mergers, acquisitions and joint venture formations, which includes 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.





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 (G4-HR2)

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 are required to complete Dow's Code of Business Conduct training course to assure they understand how Dow's Code applies to their jobs and where to obtain guidance for questions and concerns. This course requirement is rolled out by the Office of Ethics and Compliance to new employees within the first 45-60 days of employment and on a three-year refresher cycle thereafter. In 2014, all new employees were required to complete the Code of Business Conduct course. Employee may also take the training at any time by using the Center for Ethics and Compliance Training.

Aspect: Non-Discrimination



Total number of incidents of discrimination and actions taken (G4-HR3)

Based on available records, there were no substantiated incidents of illegal discrimination in 2014. 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 report. They may raise concerns with leaders, Human Resources, the Legal Department 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 multilingual capabilities, 24 hours a day, seven days a week. The EthicsLine is operated externally by EthicsPoint, 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;
- Verbal/written warnings;
- Loss of performance awards (in whole or in part) or negative impact on performance ratings; and
- Termination of employment

"Dow's approach to sustainability illustrates our belief that that we have an ethical obligation to apply our talent for science to solve the world's most pressing problems. Our Core Values of Integrity, Respect for People and Protecting Our Planet guide our behavior from the shop floor to the board room as we innovate and advance these solutions. Employees embrace this world view. It is not only a part of our culture; it is a source of motivation and pride."



- Kara Gordon Director of Ethics & Compliance **Assistant General Counsel**

Aspect: Freedom of Association and Collective Bargaining



Operations and significant suppliers 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 (G4-HR4)

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 G4-11, 27 percent of Dow's workforce was covered by either formal collective bargaining agreements or works councils in 2014.

Aspect: Child Labor



Operations and significant suppliers identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor (G4-HR5)

The Child Labor policy deals with Dow's efforts to have a positive impact on the reduction of unlawful labor and child exploitation.

Dow complies with all child labor laws. Dow understands that children may legitimately perform tasks, that 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.

In March 2011, Dow launched a formal Code of Business Conduct for Suppliers. Its specific reference to Child Labor reads:

- No Child Labor: Suppliers will comply with all applicable child labor laws.

At the launch of the Code of Business Conduct for Suppliers, Dow partnered with Maplecroft to evaluate and rate the risk of child labor policy issues. The results suggested that Dow's production facilities were at low risk based on asset locations. All current and new suppliers receive Dow's Code of Business Conduct for Suppliers prior to conducting business with Dow, ensuring a full awareness of Dow's business expectations. Dow reserves the right to assess and monitor suppliers' compliance with the Code of Business Conduct for Suppliers. Suppliers who are not in compliance with this Code are expected to implement corrective actions. or they may not be considered for future business.

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 or Compulsory Labor



Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor and measures to contribute to the elimination of forced or compulsory labor (G4-HR6)

Dow's position on forced or compulsory labor is included in our Labor Policy in our Code of Business Conduct. <u>See HR4</u> 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



Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations (G4-HR7)

Reporting processes and response plans are in place to identify and respond to alleged abuse or violence against employees and contractors. Dow employs several hundred employees and contractors in its Emergency Services and Security department worldwide.

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.

Aspect: Indigenous Rights



Total number of incidents of violations involving rights of indigenous people and actions taken (G4-HR8)

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

Aspect: Assessment



Total number and percentage of operations that have been subject to human rights reviews or impact assessments (G4-HR9)

Dow's Regional Ethics and Compliance Committees 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 2014. All regions had active compliance activities.



Aspect: Suppliers Human Rights Assessment



Percentage of new suppliers that were screened using human rights criteria (G4-HR10)

Dow's Code of Business Conduct covers the expectations Dow has of its suppliers across the globe. The requirements of the Code of Conduct are built into supplier contracts to ensure that these are contractually enforceable, and Dow reserves the right to audit supplier compliance at any time. The Code of Conduct lays down the expectations around human rights practices. In the case of External Manufacturing where Dow products are manufactured at a third party site, there are regular audits to ensure adherence to practices as specified in the Code of Conduct and the Fundamental EH&S Expectations for External Manufacturers. All new suppliers selected are in line with acceptable human rights practices.

See Dow's at the website Code of Business Conduct for Suppliers (available in multiple languages) and to Supplier Responsibilities for more information.



Significant actual and potential negative human rights impacts in the supply chain and actions taken (G4-HR11)

Assessments and audits have identified less than adequate supplier practices, which resulted in not selecting the supplier or discontinuing business with the supplier. Examples include but are not limited to: identification of poor housekeeping and management of combustible dust hazards which also had a potential negative impact on employees, inadequate programs to protect employees from exposure to chemicals, and inadequate emergency procedures to protect employees and the public.



Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms (G4-HR12)

No incidents of grievances related to human rights were filed in 2014.

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, and from the glass of water your drink the morning to the light switch you flip on at night, Dow science is in making it possible for people everywhere to live better and more sustainably.



Dow Consumer Care: Delivering Breakthrough Hygiene Solution (G4-DMA)

In many parts of the world a bar of hand soap is a luxury. As part of a mission to help reduce mortality rates and illnesses among children in developing countries, Unilever saw the need to reformulate its Lifebuoy™ soap brand so that it lasts longer, feels soft on the skin and provides better value. Working with Unilever, Dow Home, Institutional & Personal Care Solutions leveraged its POLYOX™ Water-Soluble Polymer technology to create a soap formulation that accomplishes these goals while providing a better value, particularly for the mini-bars (approximately 30-35 grams), which are sold in emerging markets like India at a cost of \$0.10 per bar.



Our Commitments

Our innovative products and solutions provide positive contributions and benefits to industry, consumers, and the environment. Our innovative products and solutions provide positive contributions and benefits to brand owners, consumers and society as a whole. By leveraging science and collaboration, Dow and Unilever delivered a bar of soap that allows more children – perhaps millions more – to live to see their fifth birthday. DOW POLYOX™ Water-Soluble Polymers technology brings performance and sensorial benefits to Lifebuoy[™] soap from Unilever, resulting in a hygienic product for economically challenged regions.

The World Health Organization (WHO) estimates that diarrheal infections claim the lives of 1.87 million children under the age of five each year. Lifebuoy™ Soap featuring POLYOX[™] Water-Soluble Polymers help support effective hygiene practices in economically challenged areas. Better value, high-quality soap helps establish healthy habits that can lead to longer lives and stronger communities. Unilever introduced this formulation first in Brazil, Thailand and Indonesia. Unilever then introduced it to the Indian market. in concert with a strong, successful push for its hand-washing campaign in Thesgora, India, which had one of the country's highest rates of diarrhea.

Unilever approached Dow for assistance in differentiating the performance of its Lifebuoy™ soap and appealing to valueconscious consumers in parts of the world where opportunity for health impact was highest. Dow identified the need to increase the bar of soap's stability; if the soap gets mushy or brittle, consumers don't see it as a good value. Researchers examined adjacent industries where similar problems were solved. They focused on POLYOX™ Water-Soluble Polymers from Dow, which use controlled release technology, to provide binding, lubricity and water retention. When applied to the bar of soap, the technology provided stability and a pleasant feel.

For the Lifebuoy[™] soap brand, quality and value are key marketing components. The soap is developed to be a better value, but without compromising quality. Its launch relied on audience communication regarding health benefits of hand washing; Unilever introduced the new soap to key markets in concert with a "Help a Child Reach 5" campaign and the "adoption" of a village in Central India through which the company provided handwashing education to children and their families to reduce the number of children dying from infections such as diarrhea and pneumonia. Additionally, in 2014 Dow named this collaboration a "Breakthrough to World Challenges," exceeding a milestone set by the company as part of our 2015 Sustainability Goals.



¹ Compared to industry standard RO elements.

Dow Automotive Systems: Delivering Transportation Solutions that Enable Sustainability



During the lifecycle of most products, manufacturing is the point of highest energy consumption. With vehicles, however, more energy consumption occurs during the use phase, which can last from 10 to 20 years. Over a 15-year life span, for example, a vehicle is expected to consume 5,000 to 10,000 gallons of fuel and emit up to 90 metric tons of CO₂. Lighter weight vehicles consume less fuel and create fewer emissions over the course of their lifecycle. The challenge is to help manufacturers design and manufacture lighter vehicles that meet governmental regulations, appeal to customers and provide safety benefits.

Our Commitments

By collaborating with our customers, suppliers and Dow colleagues, Dow Automotive Systems creates sustainable material science solutions that advance the transportation industry. For example, various formulations of BETAMATE™ Structural Adhesives have helped automotive and transportation manufacturers improve vehicle safety and durability, save weight and increase design flexibility since 1999. BETAMATE™ Structural Adhesives also have contributed to an estimated 23 million metric tons of CO₂ avoidance and 10 billion liters of gasoline savings.

Now, with a global focus on fuel efficiency and vehicle emission reduction, BETAMATE™ continues to lead the industry as a key enabler – this time for mass reduction via metal down-gauging, lightweight material integration and parts consolidation. As more lightweight materials are utilized in vehicle manufacturing, adhesives are growing in popularity as a bonding solution because traditional fasteners like welds and rivets are not always compatible with these new materials.

Lighter vehicles offer improved fuel efficiency and reduced GHG and carbon dioxide emissions throughout the vehicle's life. Improvements in vehicle safety are also achieved, due to maximum load transfer and yielding of the substrate materials, as well as improved joint durability that comes with the use of a structural adhesive.



In addition to being named one of Dow's "Breakthrough to World Challenges", BETAMATE™ Structural Adhesives recently have been recognized by R&D Magazine as one of the 100 most technologically significant products introduced in the past year and by the Altaire Enlighten Awards for vehicle lightweighting. Dow Automotive Systems also won two PACE Awards from Automotive News for product collaboration and innovation and won a Golden Mousetrap award from Design News for materials assembly, all for BETAMATE innovations.

Dow Water and Process Solutions: Delivering Solutions to Promote Sustainable Water Management



In every corner of the globe, from developing countries to industrialized nations, clean water is essential to sustain life. From providing hydration and nourishment, to lighting up our cities and manufacturing goods, water is the lifeblood of human progress. With the world population estimated to grow from 7 billion in 2011 to more than 9 billion by 2050, profound stress will be placed on the world's limited water supply. As the global leader in sustainable water separation and purification technology, Dow Water and Process Solutions (DW&PS) is committed to making water safer and more accessible, food taste better, pharmaceuticals more effective, and industries more efficient, by spearheading the development of sustainable technologies that integrate water and energy requirements.

Our Commitments

Our innovative products and solutions provide positive contributions and benefits to industry, consumers and the environment. DW&PS offers a diverse portfolio of ion exchange resins, reverse osmosis membranes, ultrafiltration membranes, fine particle filters and electrodeionization products, with strong positions in a number of major application areas, including industrial and municipal water, industrial processes, pharmaceuticals, power, oil and gas, residential water and waste and water reuse.

The industrial use of water is one of the largest uses of treated water, and increasing water scarcity has driven companies to seek out new ways to purify water and promote water reuse that are cost-effective and environmentally conscious. With this in mind, DW&PS has invented a new polymer chemistry, resulting in best-in-class performance from a new family of reverse osmosis (RO) products. Designated as <u>Dow's second Breakthrough to World Challenges</u>, DOW FILMTEC™ ECO RO Elements are being used to produce freshwater and recycle wastewater around the globe, delivering up to 40 percent higher water quality, while consuming 30 percent less energy.

New membrane chemistry allows for a new kind of water treatment plant to emerge – one that runs on less energy, operates more efficiently, and reduces environmental impact.

FILMTEC ECO Elements are helping to save water and energy, while at the same time reducing operational costs in facilities by 16-19 percent. In the first ten years of use, FILMTEC™ ECO Elements are expected to produce 15 trillion m3 of clean water (more than 6 million Olympic-sized swimming pools), while providing more than 2 billion kWh (Kilowatt hours) of energy savings and reducing CO₂ emissions by 1.5 million metric tons. By using FILMTEC ECO, utility providers are able to reduce their chemical usage and improve their power production time, electronic manufacturers can increase water purity for higher performing tablets, smartphones and computers; brewers are able to brew beer more sustainability; and the list of applications and uses goes on.

Gaining attention and international notoriety, FILMTEC ECO RO Elements have won the 2013 Innovation Award at Aquatech China, 2013 Pollution Engineering Editor's Choice Award, and a 2014 Bronze Edison Award in the Energy/Sustainability and Commercial Resource Management category.



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 control. We use innovative chemical and biotechnology solutions to meet the food, feed, and fiber needs of the world.

The world will have to produce 70 percent more food for an additional 2.3 billion people by 2050.



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>U.S. Environmental</u> <u>Protection Agency (EPA) Presidential Green Chemistry Awards</u> 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 leadingedge insecticide, herbicide, fungicide, fumigant and seed technologies for customers around the world. Sulfoxaflor, our newest insecticide for use in multiple crops and geographies, controls sap-feeding insects, such as aphids and whiteflies, yet has minimal effect on beneficial insects. Like many products in development, it's effective at low use rates and is an excellent fit in integrated pest management systems, which provide economically and environmentally sensitive approaches to insect control. As part of a healthy oils platform, we also develop seed used in Omega-9 Canola Oils which have zero trans fat and the lowest saturated fat among currently available vegetable oils and new Omega-9 Sunflower Oils which will be the first vegetable oils to qualify for a claim of zero grams of saturated fat per serving.

Corporate Citizenship: Advancing Sustainable Change



At Dow, we believe in the power of Solutionism to change the world. We place a high value on listening to our communities and strive not just to be a good neighbor, but a global corporate citizen. Our promise is our most vital product and through authentic relationships we are building better, stronger, more sustainable communities in the places where we do business.

The Dow Chemical Company Foundation

Established in 1979, The Dow Chemical Company Foundation contributes to a more sustainable world by supporting charitable initiatives focused on community success, science education and environmental stewardship. The Foundation is a separately governed, private foundation designed to carry out the charitable efforts of Dow, and is the primary funding source for Dow charitable donations. In 2013, contributions from The Dow Chemical Company Foundation totaled \$21.5 million dollars globally. Plus an additional \$6 million granted in product donations.

Contributing to Community Success

With sites in 35 countries, Dow has a daily presence in small towns and cities around the world as a neighbor, community leader, employer and manufacturer. Understanding the needs of the communities where Dow has locations, and responding in a constructive and appropriate way, is part of our role as a member of the community and one to which we are deeply committed.

As part of our 2015 Sustainability Goals, Dow prioritized in 2006 that all sites where we have a major presence will have achieved their individual community acceptance ratings by 2015. To measure our effectiveness, we created a survey process to provide qualitative and quantitative input on quality of life concerns. These ratings measure public favorability with the role Dow plays in making the community a better place to live. Based on survey feedback, we created a "Community Success" plan for the location. Thanks to the successful progress toward the Community Success goals of our largest sites, Dow now also has a process to enable all sites, regardless of size or geography, to engage in their communities in a similar way.

Two-Way Dialogue through Community Advisory Panels

At Dow we believe our decision-making processes are improved when we involve the community. Dow's Community Advisory Panels (CAPs) represent a broad cross-section of local interests, including healthcare, education, civic engagement, law enforcement and local business. Dow CAPs operate in more than 38 of our global manufacturing communities and offer valuable insight into local operations.

STEMMING the Gap for Education

Dow is a company built on innovation. Education is the fundamental enabler of innovation in today's knowledge economy, and if we are to meet the challenge of preparing our youth for 21st Century jobs, we need a new generation of discoverers and innovators, scientists and engineers.

At Dow, we have responded to this challenge by developing a growing number of initiatives to help STEM the GAP in science, technology, engineering, and mathematical (STEM) education. Through our partnerships with leading organizations, the involvement of our employees as volunteers, and sponsorship of countless programs, we strive to help equip our future workforce with the skills they need for successful careers now and in the future.

Talent Meets Need through Dow Sustainability Corps

Dow Sustainability Corps (DSC) is part of Dow's overall approach to helping to meet the world's most challenging problems. DSC is focused on matching the skills of Dow employees with NGOs, social entrepreneurs and local government agencies that need support for sustainable development projects, especially in emerging geographies and areas of growth for the company. Employees who participate as part of DSC apply their time, skills and expertise to projects around the world. Since its inception, DSC has supported initiatives in countries such as Haiti, Ghana, Tanzania, Honduras, the Dominican Republic, India and the U.S. For employees involved in these projects, the experience has a lifechanging impact on the way they view their role as a global citizen and Dow's role as a corporation that can affect change.

Key Partnerships

Collaboration is the cornerstone of our broad, philanthropic approach. We believe that what one entity can do well, many can do even better. This approach guides our decision-making as we engage with multiple organizations to identify sustainable solutions for our global community. Some of our key strategic collaborations are described below.

United Nations Global Compact

Dow is a member of the UN Global Compact, the world's largest voluntary corporate citizenship initiative. The Compact is comprised of more than 8,700 corporate participants from more than 130 countries, working toward advancements in human rights, labor, environment and anti-corruption.

U.S. Chamber of Commerce Foundation Corporate Citizenship Center

Formerly the Business Civic Leadership Center, Dow engages with the U.S. Chamber of Commerce Foundation's Corporate Citizenship Center to help bring together resources and expertise to affect change related to complex societal challenges. The Center is a leading resource for businesses dedicated to making a difference. Dow partners with the Center on programs and events with key NGOs and governments to improve social and environmental conditions.

Clinton Global Initiative

In 2007, Dow joined Clinton Global Initiative (CGI), which convenes global leaders to create and implement solutions to global poverty. As part of its commitment, the company has announced support for multiple projects including collaborations with Acumen, the 100Kin10 teacher development effort, the National Science Teachers Association, Chemical Educational Foundation, and Capital Area Technical College in Baton Rouge, Louisiana.

Acumen

As part of the 2012 Clinton Global Initiative, Dow announced its collaboration with Acumen, a nonprofit global venture whose goal is to advance social enterprises for business growth. Working directly with local entrepreneurs who drive new business in the region, this partnership aims to accelerate the development and distribution of crucial products and services in the sectors of agriculture, water, sanitation and energy.

Habitat for Humanity International

What began as a modest, employee-led grassroots effort has grown into one of Dow's most significant service initiatives and one of Habitat's longest corporate relationships. Dow was Habitat's first national corporate partner in 1983 and the

collaboration is leaving a legacy of not just building homes, but providing affordable, energy-efficient homes for low-income families in communities around the globe. Dow supports Habitat through house sponsorships, product donations and employee volunteerism at builds.

United Way

United Way is a nonprofit organization that works with charitable organizations in communities across North America to pool efforts in fundraising and volunteerism. Through this partnership, Dow employees help their communities and neighbors through donations and volunteerism in areas that are personally relevant to them. Dow's involvement with United Way is a tradition that dates back more than 75 years.

Keep America Beautiful

Dow is a national sponsor of the Great American Cleanup™, the largest community improvement program in the U.S. and signature program of Keep America Beautiful (KAB), a non-profit organization dedicated to making America's communities cleaner, greener and more livable. Thousands of Dow employees volunteer each year in local cleanup efforts, and recently students at local colleges and universities have joined their ranks.

University of Michigan Fellows Program

Dow's multi-million-dollar gift to the University of Michigan (U-M) in Ann Arbor in 2010 supports the Dow Sustainability Fellows Program. This multi-disciplinary program leverages U-M's extensive research portfolio to address and help solve sustainability challenges, while driving innovation in Michigan and around the globe.

The Nature Conservancy

Dow's 6-year collaboration with The Nature Conservancy (TNC) on valuing ecosystem services demonstrates that protecting nature can be a profitable global business strategy and a company priority. By combining our resources and expertise, the Dow-TNC collaboration is helping Dow and others prioritize the importance of integrating nature into business decision-making.

The most senior position with responsibility for Society Aspects is the Chief Sustainability Officer, a position held by Neil Hawkins.

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

Society Performance Indicators

Aspect: Community





Percentage of operations with implemented local community engagement, impact assessments, and development programs (G4-SO1)

Guided by the materiality principle as defined in GRI Reporting Guidelines, Dow is strived to be a good neighbor and a trusted collaborator, making sure we leave a positive impact on every community where we have operations. We use the Contributing to Community Success process as a model and guide for supporting the well-being of the communities in which we operate.

As part of our 2015 Community Success 10 year Goal, we are implementing custom Community Success plans in the following locations:

- Pittsburg, California, U.S.
- Zhangjiagang, China
- Plaquemine, Louisiana, U.S.
- Midland, Michigan, U.S.
- Rhine Center, Germany/France
- Terneuzen, The Netherlands
- Freeport, Texas, U.S.
- St. Charles, Louisiana, U.S.
- Stade, Germany
- Aratu, Brazil

These sites represent only 5 percent of Dow's manufacturing locations as defined in <u>Section 9</u>, but they represent about 70 percent of the product output of the Company. Progress in our Community Success Goal is reported quarterly.

Dow believes the result of the Contributing to Community Success work in the 10 pilot communities is a best practice and a breakthrough model for all sites globally. This disciplined approach to data gathering, information sharing and strategic implementation is a reputational game-changer for the company and a life-changer for residents of the communities in which Dow operates.

In 2013 a comprehensive Community Success Process Guide and tutorial video were created and launched to help define appropriate actions to implement the Contributing to Community Success locally. Now any site, regardless of size and resources, can apply the disciplined process to its community outreach.

- Philadelphia, Pennsylvania, U.S. Hub Sites (various)
- Map Ta Phut, Thailand
- Tarragona, Spain
- Several sites throughout Europe
- Bahia Blanca, Argentina
- U.S. Independent Sites

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.

2014 Responsible Care® Winning Team: Urban Agriculture – Self Sustainable Unit



Team members: Nina Cerro, Juan Hoyos,

The "Urban Agriculture – Self Sustainable Unit" project developed initiatives to improve job skills and attract investment in order to enhance the quality of life of the Soledad and Pasacaballos communities in Colombia. The project's main purpose was to ensure the improvement of production techniques and to increase the income of farmers in the village of Bajo del Tigre in Pasacaballos at least 25 percent, by focusing on the implementation of three major components: technical assistance, social support and business training.

Through technical assistance and product allocation, Dow, public and private partners are mentoring the agricultural activity in the country by providing training for business generation in order to help these communities be productive and self-sustainable.

"Organizations do not exist in isolation; as active members of the communities we operate in, it is both our social responsibility and a business imperative to ensure their sustainability. At Dow, our sustainability strategy encompasses our corporate citizenship commitments that include building the workforce of tomorrow through STEM education, innovating to solve world challenges, and driving community development demonstrating the mutual value we bring. The well-being of our communities and the success of our business are deeply intertwined; taking a corporate citizenship approach through a sustainability perspective does not just make us good neighbors, it makes continued growth possible."





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 percent of the communities where Dow has operations.

The future presents unlimited opportunity for Dow sites globally, as they continue to engage with communities using the novel Community Success process. For more stories of impact and ongoing updates about implementation, visit our Contributing to Community Success.



Operations with significant potential or actual negative impacts on local communities (G4-SO2)

Dow implements the American Chemistry Council (ACC) Responsible Care® 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 <u>Responsible Care® Security Code</u> at the American Chemistry Council website.

Public and political attention continues to be placed on the protection of critical infrastructure, including the chemical industry, from security threats. Terrorist attacks and natural disasters have increased concern about the security and safety of chemical production and distribution. Many organizations, including Dow and the American Chemistry Council, have called for uniform, risk-based and performance-based national standards for securing the U.S. chemical industry. The Company is complying with the requirements of the Rail Transportation Security Rule issued by the U.S. Transportation Security Administration TSA. Dow continues to support uniform, risk-based national standards for securing the chemical industry.

The focus on security is not new to Dow. A comprehensive, multi-level security plan for the Company has been maintained since 1988. This plan, which has been activated in response to significant world and national events since then, is reviewed on an annual basis. Dow continues to improve its security plans, placing emphasis on the safety of Dow communities and people by being prepared to meet risks at any level and to address both internal and external identifiable risks. The security plan includes regular vulnerability assessments, security audits, mitigation efforts and physical security upgrades designed to reduce vulnerability. Dow's

security plans also are developed to avert interruptions of normal business work operations that could materially and adversely affect the Company's results of operations, liquidity and financial condition.

Dow is a sponsor and serves on the advisory board of the International Centre for Chemical Safety and Security headquartered in Warsaw, Poland, and dedicated to establishing a global chemical security culture by establishing centers of excellence in developing nations. Dow also participated as the only industry representative to the G7 Chemical Security Sub-Working Group, participating as a member of the US delegation to the CSSWG. Dow also has worked in partnership with the Organization for the Prohibition of Chemical Weapons (OPCW) to address the issue of chemical security around the world, and recently joined in partnership with Ready Asia Pacific to support the development of resiliency plans for coastal areas throughout the Asia Pacific geography.

Dow played a key role in the development and implementation of the American Chemistry Council's Responsible Care® Security Code, which requires that all aspects of security - including facility, transportation and cyberspace - be assessed and gaps addressed. Through the Company's global implementation of the Security Code, Dow has permanently heightened the level of security - not just in the United States, but worldwide. Dow employs several hundred employees and contractors in its Emergency Services and Security department worldwide.

Through the implementation of the Security Code, including voluntary security enhancements and upgrades made since 2002, Dow is well-positioned to comply with the new U.S. chemical facility regulations and other regulatory security frameworks. In addition, Dow was the first chemical company to receive coverage under the Support Anti-terrorism by Fostering Effective Technologies Act (SAFETY Act) from the Department of Homeland Security in 2007 for the Company's Maritime Transportation Safety Act regulated sites, and the first to receive coverage under the SAFETY Act in 2008 for the Company's Rail Transportation Security Services. This unprecedented certification helps validate Dow's efforts and provides additional liability coverage in the event of a terrorist attack.

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.

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. Further, Dow's Distribution Risk Review process that has been in place for decades was expanded to address potential threats in all modes of transportation across the Company's supply chain. To reduce vulnerabilities, Dow maintains security measures that meet or exceed regulatory and industry security standards in all areas in which the Company operates.



Aspect: Corruption



Total number and percentage of operations assessed for risks related to corruption and the significant risks identified (G4-SO3)

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.



Communication and training on anticorruption policies and procedures (G4-SO4)

Dow periodically requires all employees to complete an online Code of Business Conduct training module that includes two anti-corruption-related sections: "Bribery and Corruption" and "Business and Financial Records." In addition, Dow's Office of Ethics and Compliance and Dow's Legal department conduct ongoing training for employees at all levels of the Company who may encounter the potential for bribery or corruption. Finally, Dow requires online corruption and anti-bribery training for a certain subset of employees based on a perceived elevated risk of corruption due to by the type of role and the region where the employee works. 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.

Each year, the Office of Ethics and Compliance sends out the Annual Ethics and Compliance Certification which includes questions employees are required to answer relating to potential conflicts of interest, questionable payments, and gifts and entertainment. In addition, the Certification also allows employees to report any conduct which may be

inconsistent with the Code or the law. The final question is a means for employees to acknowledge they have read and understand Dow's Code and they agree to comply with Dow's expectations for ethical business conduct.



Confirmed incidents of corruption and actions taken (G4-S05)

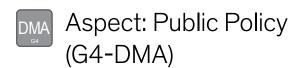
A review of the complaints and completed investigations in 2014 revealed that:

- 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 RECCs, and an anti-corruption/due diligence process for vetting intermediaries.







Global Commitment, Local Responsiveness

Public policy at Dow is based on an unwavering commitment to solving global problems while effectively responding to regional and local needs. As one of 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, and 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 can be found at: on dow.com.

Trade

Sound trade and investment policies help to raise standards of living and increase consumer choice. Trade liberalization supports advanced manufacturing by reducing operations costs, expanding investment opportunities, and opening access to rapidly-growing consumer markets around the world. Good trade policy establishes a level playing field and supports commitment to a global, rules-based, transparent trading system so that businesses can all compete fairly.

Dow products are made in a range of countries and shipped to markets all over the world – and products that are used by customers to make finished goods are also shipped all over the world. Trade and global supply chains enable access to products around the world – raising the standard of living, quality of choice and opportunities for consumers.



Additionally, countries with open trade policies benefit from foreign direct investment which brings new technologies, high standards of working safety and practices and job creation. Foreign investments in emerging countries create new local enterprises, but also open new opportunities into the global value chain. Suppliers and partners in emerging economies frequently become new exporters and innovative partners, in cooperation with foreign suppliers.

Dow is an advocate of free trade. The company supports all trade liberalization activities, including the continued implementation of a global, rules-based trading system to foster economic growth and sustainable development around the world.

Energy

A sustainable energy future requires us to all rethink the energy equation – working together as individuals, governments and businesses to develop breakthrough solutions for clean, sustainable and affordable energy. No one energy source can be viewed in isolation and a comprehensive approach is best. Dow's integrated approach to energy is represented through the acronym COAT. We should:

- Conserve energy by aggressively pursuing energy efficiency and conservation:
- Optimize, increase and diversify domestic hydrocarbon energy resources;
- Accelerate development of clean and renewable energy alternatives; and
- Transition to a sustainable energy future.

Natural Gas

Innovation has made it possible for us to reach previously uneconomic natural gas reserves, and now natural gas prices are competitive or advantaged in North America versus other major competing regions in the world. Dow believes that hydraulic fracturing, which has allowed for access to this vast supply, can be done safely and sustainably.

As a major manufacturer, Dow is a significant consumer of natural gas for use as a raw material in the high-value products we make and for energy to power our operations. Abundant, affordable natural gas has lowered our energy and raw material costs and, therefore, has a positive impact on our business and creates jobs across the economy.

However, it is not only manufacturers that are benefiting from this newly available resource. The recent discovery and development of U.S. shale gas will help to contain energy costs for individuals and businesses. More energy companies are adding affordable natural gas to their energy mix of traditional and renewable energy sources, which is helping to limit cost increases and reduces GHG emissions. Lower energy bills benefit all consumers, particularly low income families, and ultimately the overall economy. This has also improved the trade balance of the U.S., and for the first time in several decades, fossil fuel import dependency is rapidly declining.

Dow believes affordable and abundant natural gas, which has been brought about by shale development, is vital to a renaissance in the manufacturing sector, lowering GHG emissions, reducing energy costs for consumers, and increasing overall energy security for the U.S. and the global economy.

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 the 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.

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. 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.

Dow AgroSciences is a Founding Member of Excellence Through Stewardship (ETS), a non-profit educational organization established to promote the responsible management of plant biotechnology. As a member of ETS, Dow AgroSciences is committed to the ETS Stewardship Objectives, Principles and Management Practices and to having independent, third-party audits of its plant biotechnology activities. In addition, Dow AgroSciences participates in the USDA-APHIS Biotechnology Quality Management System (BQMS) Program whereby the organization's BQMS has been verified by third-party audits as conforming to the USDA-APHIS BQMS Program Audit Standard for the import, interstate movement, and field release of regulated materials.

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 dow.com.



Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country (G4-S06)

Political Action Committees (PACs) provide for U.S. employee participation in the U.S. election process. In 2014 DowPAC contributed \$403,500 to 118 federal candidates, \$65,500 to 15 leadership committees, \$25,000 to 5 PACs, \$45,000 to 3 national political party committees, and \$98,150 to 89 state candidates and state parties in Texas and Pennsylvania. Contributions from DowPAC totaled \$637,250. In 2014, Dow's corporate political contributions (non-PAC related) totaled \$511,125 going to state political candidates, political parties and political advocacy organizations (where allowed by law).

In 2014 DowPAC Michigan contributed \$33,650 28 state candidates and \$250 to a political party committee. Contributions from DowPAC Michigan totaled \$33,900.

Aspect: Anti-Competitive Behavior



Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes (G4-S07)

See Dow 2014 10-K_for the fiscal year ending December 31, 2014–PART II, Item 8, Note 14 – Commitments and Contingent Liabilities.

Aspect: Compliance



Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations (G4-SO8)

We did not identify any material events that were not covered by EN29–30 and PR9 after an internal review for the reporting period. See these sections for more information.

Additional information is also provided in Dow's 2013 10-K for the fiscal year ending December 31, 2013 –Note 14 – Commitments and Contingent Liabilities.



Aspect: Supplier Assessment for Impacts on Society



Percentage of new suppliers that were screened using criteria for impacts on society (G4-S09)

All external manufacturers are screened. Onsite audits help to uncover potential risks in EH&S but also potential local concerns. Contract agreements also specify requirements for the manufacturer to comply with Dow's Code of Business Conduct and the Fundamental EH&S Expectations for External Manufacturers. Dow also utilizes tools to measure inherent process risks, and implements mitigating measures when established criteria are triggered. Criteria include the potential for offsite impact based on the type and quantity of chemical utilized by the supplier.



Significant actual and potential negative impacts on society in the supply chain an actions taken (G4-SO10)

Utilizing a set of tools Dow screens potential process risks associated with External Manufacturing and other select suppliers it plans to use. If established trigger criteria are exceeded, additional reviews and approvals are required before proceeding with a supplier. These reviews aid in verifying materials are handled appropriately and risks are mitigated. When risks cannot be managed appropriately, a supplier is not selected, or business with an existing supplier may be discontinued.



Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms (G4-SO11)

See G4-58 for Ethics and Compliance at Dow.

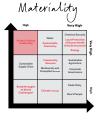
Product Stewardship

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 2014 can be found in the Sustainability Summary section.



(G4-DMA) Dow Product Stewardship standards and practices cover all stages of a product's life cycle and DMA 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. Detailed guidelines are in

place 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 third-party to conduct an independent assessment of its product safety program and to make recommendations for improvement; their assessment was recently completed. Dow is addressing the identified improvement opportunities as part of the actions taken to enhance our Business Risk Review work process. In March 2014, Dow has made public a summary of the findings and its actions to respond.



During 2014, Dow continued to advance the implementation of our enhanced Global Product Stewardship Management Standard. The updated Standard aligns with the American Chemistry Council's new Product Safety Code. The focus was on utilizing our Risk Characterization tool to define risk tiers for each of our products/product categories. Businesses are now determining whether there are opportunities to strengthen our hazard communication and risk management programs by establishing differing product stewardship program requirements depending upon the risk tier. Our Standard also provides further focus on increasing transparency across the value chain. This aligns closely with various value chain initiatives, requiring further disclosure of information to aid in their product safety assessments. Improvements in our Business Risk Review work process will ensure more consistent utilization of the process and leveraging of best practices on assessment and documentation.

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 our own EH&S and Sustainability improvement initiatives, and especially through our leadership at the International Council of Chemical Associations (ICCA). Within ICCA, Dow continues to work on the implementation of the Global Product Strategy, which is focused on strengthening chemical management, especially in those countries without formal chemical management programs. Dow is also engaged in working with ICCA in strengthening our engagement of the value chain, focusing on working to ensure chemical products can be safely used from inception to end of life. Dow has also advanced regulatory cooperation as another area of focus within ICCA. With an increasing number of countries across the globe initiating their own chemical management programs, regulatory cooperation is key to ensuring that these programs are advancing product safety rather than duplicating data collection and assessments that have already been undertaken.

Training and Awareness

See Goals Third-Party Review for more detail.

For certain products, 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 2013, a multi-functional group including representatives from our Product Stewardship and Operations EH&S organization enhanced our Business Risk Review work process and developed new training materials for our entire Product Stewardship organization and other functions that play key roles in the implementation of this process. These training programs have been made available to employees via conference call sessions and through Dow's electronic MyLearning training program.

Customer Health and Safety

Dow offers training for customer employees so that they understand the hazards and safe-handling practices necessary to prevent harm to human health and the environment with respect to the products they purchase. Dow continues to look for opportunities to strengthen the product stewardship programs of our distributors. In 2014, we initiated an on-line training program for distributors in Asia Pacific in one of our marketfacing businesses, where we have the ability to confirm that they understand Dow's product stewardship expectations. We are now looking for the opportunity to leverage this approach further. Dow also continues to work on strengthening the product stewardship requirements within Distributor Agreements for certain hazardous products, specifying applications where our products should not be sold.

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. In updating our Product Stewardship Management Standard, we have further clarified responsibilities of various business roles and developed training to ensure responsibilities are understood. Dow sales representatives call on Dow's Product Stewardship organization to assist customers when further information is needed or 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 that are published on our Safety Data Sheets sent to every customer.

In addition, Dow web sites contain up-to-date technical and health and safety information on each product.

The most senior position with responsibility for Product Aspects is the Chief Sustainability Officer, which is held by Neil Hawkins.

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

Product Stewardship Performance Indicators Aspect: Customer Health and Safety



Percentage of significant product and service categories for which health and safety impacts are assessed for improvement (G4-PR1)

All products (100 percent) are assessed in an appropriate manner – depending upon EH&S profile, application, and exposure potential, 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	х	
Certification	x	
Manufacturing	х	
Marketing and promotion	x	
Storage distribution and supply	х	
Use and service	x	
Disposal, reuse, or recycling	х	

Dow businesses use the Business Risk Review process to assess and 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 the products' life cycle.

Businesses are required to conduct risk reviews when material new information is received, including material changes in product uses, regulations, raw materials, etc., or when triggered, in certain cases, by the passage of time. Improvement opportunities have been identified to clarify and strengthen these triggers. Dow is implementing a product risk characterization tool to advise the business on the frequency of which risk reviews should be repeated. In the

"With the increasing focus on product sustainability around the globe, collaboration with key stakeholders, including value chain partners, regulators and non-governmental organizations, is key to strengthening Dow's product stewardship programs and promoting sound chemical management regulations to address these challenges and advance opportunities."





process, and through use of supporting processes and tools, health and safety impacts are assessed with respect to new product development, manufacture of product, transportation and distribution, use of product at customer facilities, and 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 just a few examples of involvement in the storage, distribution, supply and use steps of product life. With increasing interest of the value chain in chemical identity and use, working with these stakeholders to support their users and address their questions is a priority. Dow has made further engagement with the value chain a priority in 2014 as it allows us to better understand how to not only address the needs of our direct customer for health and safety information but also those of their customers.



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 (G4-PR2)

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. The company is aware that Dow was found to be in violation of the Korea Toxic Chemical Control Act. There were two instances of late toxic import notification due to product re-branding. A small administrative fine was levied against both the company and individual.

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 the guiding principles at the Responsible Care® website.



Aspect: Product and Service Labeling



Types of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements (G4-PR3)

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

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

Dow's products must comply with all applicable hazard communication program requirements, including appropriate labeling and Material Safety Data Sheets (MSDSs), 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. While not all Dow products are governed by such regulations, Dow's Global Product Stewardship Management Standard establishes that MSDSs will be generated for 100 percent of our products, which requires an assessment of health and environmental impact.

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. For certain products, Dow requires that customers be qualified through inspection of their operations and training of their employees before we support first shipment of product. 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.

2014 Responsible Care® Winning Team: Dow Art Conservation Collaboration





Team members: Melinda Keefe, Felipe Donate, Chris Tucker, Chris Kozak, Anastasia Behr, Tom Boomgaard, Barbara Cressman.

Black on Maroon (1958) is one of Rothko's Seagram murals, iconic works of American abstract expressionism that the artist gave to Tate in 1970. The work was vandalized with strokes of indelible black graffiti ink that marred its

subtly layered surface, in some cases, soaking completely through to the back of the canvas.

Dow experts analyzed the ink, identified a shortlist of possible solvents for an effective cleaning solution, and used Dow proprietary computer software to establish solubility parameters to identify cleaning solvents with similar solubility parameters. Tate was able to quickly rule out water based cleaning solutions, as the paint layers below the graffiti were too water sensitive to stand up to a water-based solution.

Turning the focus to straight solvents, Dow scientists Drs. Melinda Keefe, Felipe Donate and Dan Bors worked in Dow Solvent Laboratory in Midland, Michigan, testing solvents on dried samples of the graffiti ink. "We were able to narrow it down to a small list of solvents and microemulsions for consideration in the Rothko restoration," said Keefe

The restored Rothko went back on display at Tate Modern where visitors can see firsthand how modern science helped preserve a key piece of modern art. The painting's successful restoration follows 18 months of extensive conservation work informed by analytical information from Dow Coating

Dow is in compliance with all applicable country chemical inventory control laws. Currently, the most comprehensive requirement is the European Union REACH regulation, which requires 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. We are now preparing for other countries, such as Korea and Taiwan, that have passed into law similar programs.

Dow also has a significant program underway to ensure compliance with the Globally Harmonized System for Classification and Labeling, which has been implemented in many countries across the globe. With U.S. implementation required in June 2015, a comprehensive plan was compiled in 2013, and implementation was initiated.

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. Dow has completed PSAs on all high priority products and has made significant progress in developing PSAs across all of our businesses, expecting to complete PSAs for all products in 2015. See Sustainability Overview section for more information on Product Safety Leadership.



Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes (G4-PR4)

Dow AgroSciences LLC ("DAS"), a wholly owned subsidiary of the Company, received two separate notices from the U.S. Environmental Protection Agency ("EPA"), the first dated April 16, 2014, and the second dated May 27, 2014, seeking civil penalties for alleged violations by supplemental distributors of certain DAS products of various requirements under the Federal Insecticide, Fungicide, and Rodenticide Act regulating production and labeling of pesticides. DAS resolved the first matter with the EPA in December 2014 and agreed to pay a \$137,280 civil penalty as part of the settlement. DAS resolved the second matter in February 2015 and agreed to pay a \$182,640 civil penalty and implement a web-based regulatory training program as a Supplemental Environmental Project at a cost of \$231,000.



Results of surveys measuring customer satisfaction (G4-PR5)

The Customer Service Organization satisfaction metrics are used to evaluate and improve the customer's experience in doing business with Dow. Key Performance Metrics are visible to all employees and were updated each quarter in 2014 to track performance. In 2014, Customer Service tracked (through a customer satisfaction survey of all customer contacts) Overall Customer Satisfaction, which was a change from the 2013 tracking of Overall Ease of Doing Business. Overall Customer Satisfaction measures the percent of customers who scored the question either 4 (Somewhat Satisfied), 5 (Satisfied) or 6 (Very Satisfied). The target for 2014 was 83 percent. The average result, over all four quarters in 2014, was 89 percent. The change to measuring Overall Customer Satisfaction was made as it better reflects customer perception.

In addition to the Global Customer Satisfaction Survey, customer perception is being evaluated against results of Global Key Performance Metrics, which shows that Dow is meeting goals for customer impact metrics: Overall Customer Satisfaction, invoice accuracy (99.05 percent performance with a target of 98 percent) and order entry accuracy (99.71 percent performance with a target of 99 percent). The highly positive results for Customer Service against deliverables important to the customer supports Leadership's conclusion that perception of Dow Customer Service is very positive. The voluntary positive customer comments, from the Customer Service Global Survey, also support this conclusion.

Aspect: Marketing Communications



Sale of banned or disputed products (G4-PR6)

Dow does sell several compounds, that have been banned in other applications or in other regions. Dow takes very seriously any decision to sell products restricted in other markets by conducting comprehensive risk assessments to validate that such products can be used without harm to people and the environment. When chemicals are restricted in certain areas but allowed in others, it often has to do with a different use pattern or lack of infrastructure to manage waste or wastewater.

Dow also sells products, that are the subject of stakeholder questions or public debate. As the trigger for such questions can vary, Dow's approach to responding to these challenges also varies. For such products, Dow ensures the availability of hazard and use/exposure information to support a comprehensive risk assessment to validate the intended uses. Dow engages with stakeholders challenging products in individual meetings or as part of broader industry association discussions. There have been situations where Dow has decided to voluntarily discontinue selling products into certain applications or into certain countries because of questions, which we have about the ability of users to implement product stewardship programs.

Dow tracks chemicals, that are the subject of stakeholder questions, through a variety of mechanisms. We receive input from customers through the Commercial organization. Through Dows' public affairs, we track media coverage, and through regulatory and government affairs, we become aware of concerns of government and other authoritative bodies. There is also an opportunity to learn of such challenges through industry associations.



Total number of incidents of noncompliance with regulations and codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes (G4-PR7)

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

Aspect: Customer Privacy



Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data (G4-PR8)

We have internal controls to prevent the release of customer information. To the best of our knowledge, there were no customer privacy complaints raised or pending against Dow in 2014.

Aspect: Compliance



Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services (G4-PR9)

We did not identify any material fines resulting from use of our products in 2014. Our internal auditing is used to ensure that internal and external requirements are met.

Additional information is also provided in <u>Dow's Form 10-K</u> for the fiscal year ending December 31, 2014 – Note 14 – Commitments and Contingent Liabilities.





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For the disclosures marked with \checkmark :

An interview with a member of the Sustainability External Advisory Committee (SEAC) to review SEAC process and to test responsiveness of Dow to issues raised;

Interviews with management representatives at Dow's head office in Midland, Michigan in order to understand Dow's sustainability strategy, policies and management systems for the relevant disclosures. Checking consistency of financial data and other information with Dow's 10K report. Confirming the consistency of the reported information with our understanding of Dow's business, operations, sustainability strategy and prior reporting.

In addition to the above, for the disclosures marked with $\checkmark+$:

A review of the materiality determination process including the results of stakeholder engagement; A review at corporate level of a sample of qualitative and quantitative evidence supporting the reported information. A review of the internal reporting guidelines, including the Global Incident Reporting Database (GIRD), the Global Emissions Inventory (GEI) Global Standard and the Global Asset Utilization Report (GAUR) as well as the associated conversion factors used.

Interviews with relevant staff to discuss and review the data management systems and internal review processes used for collecting, consolidating and reporting the 2014 data.

A visit to the head office of Dow in Midland, Michigan, where we:

- reviewed the completeness of data reported by all the sites and the effectiveness of the internal review (QA/QC processes), including the consolidation process;
- reviewed performance during the reporting period against the 2015 sustainability goals.

Visits to two production sites in Spain (Tarragona) and the USA (St Charles, Louisiana) to verify environmental and safety source data for 2014 and to understand local community engagement, human resources and procurement activities. Remote interviews with Dow employees at a production site in China (Zhangjiang) to discuss activities and processes relating to reporting environmental and safety performance metrics, local community engagement, human resources and procurement activities.

GRI Content Index General Standard Disclosures



General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
STRATEGY AND	ANALYSIS				
G4-1	25				✓, see assurance statement on page 54
G4-2	27				✓, see assurance statement on page 54
ORGANIZATION	AL PROFILE				
G4-3	30				✓, see assurance statement on page 54
G4-4	30				✓, see assurance statement on page 54
G4-5	31				✓, see assurance statement on page 54
G4-6	31				✓, see assurance statement on page 54
G4-7	31				✓, see assurance statement on page 54
G4-8	31				✓, see assurance statement on page 54
G4-9	33				✓, see assurance statement on page 54
G4-10	33				√+, see assurance statement on page 54
G4-11	34				✓+, see assurance statement on page 54
G4-12	34				✓, see assurance statement on page 54
G4-13	34				✓, see assurance statement on page 54
G4-14	35				✓, see assurance statement on page 54
G4-15	36				✓, see assurance statement on page 54
G4-16	38				✓, see assurance statement on page 54

General Standard Disclosures (continued)

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General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
IDENTIFIED MAT	TERIAL ASPECTS AND BOUNDARIES				
G4-17	40				✓, see assurance statement on page 54
G4-18	40				√+, see assurance statement on page 54
G4-19	41				√+, see assurance statement on page 54
G4-20	45				√+, see assurance statement on page 54
G4-21	46				√+, see assurance statement on page 54
G4-22	46				✓, see assurance statement on page 54
G4-23	46				✓, see assurance statement on page 54
STAKEHOLDER	ENGAGEMENT				
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G4-25	47				√+, see assurance statement on page 54
G4-26	47				√+, see assurance statement on page 54
G4-27	51				√+, see assurance statement on page 54
REPORT PROFII	.E				
G4-28	53				✓, see assurance statement on page 54
G4-29	53				✓, see assurance statement on page 54
G4-30	53				✓, see assurance statement on page 54
G4-31	53				✓, see assurance statement on page 54
G4-32	53				✓, see assurance statement on page 54
G4-33	53				✓, see assurance statement on page 54

General Standard Disclosures (continued)

General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
GOVERNANCE					
G4-34	56				✓, see assurance statement on page 54
G4-35	57				✓, see assurance statement on page 54
G4-36	57				✓, see assurance statement on page 54
G4-37	57				✓, see assurance statement on page 54
G4-38	57				✓, see assurance statement on page 54
G4-39	58				✓, see assurance statement on page 54
G4-40	58				✓, see assurance statement on page 54
G4-41	58				✓, see assurance statement on page 54
G4-42	58				✓+, see assurance statement on page 54
G4-43	59				✓+, see assurance statement on page 54
G4-44	59				✓, see assurance statement on page 54
G4-45	59				✓, see assurance statement on page 54
G4-46	60				✓, see assurance statement on page 54
G4-47	60				✓, see assurance statement on page 54
G4-48	61				✓, see assurance statement on page 54
G4-49	61				✓, see assurance statement on page 54
G4-50	61				✓, see assurance statement on page 54
G4-51	61				✓, see assurance statement on page 54
G4-52	62				✓, see assurance statement on page 54

General Standard Disclosures (continued)

General Standard Disclosures	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
G4-53	63				✓, see assurance statement on page 54
G4-54	63	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	The information is subject to specific confidentiality constraints.	In the interest of confidentiality, Dow does not report ratios based on individual compensation, or makr pay decisions based on these ratios.	✓, see assurance statement on page 54
G4-55	63	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	The information is subject to specific confidentiality constraints.	In the interest of confidentiality, Dow does not report ratios based on individual compensation, or makr pay decisions based on these ratios	v , see assurance statement on page 54
ETHICS AND IN	TEGRITY				
G4-56	64				✓, see assurance statement on page 54
G4-57	64				✓, see assurance statement on page 54
G4-58	64				√+,see assurance statement on page 54

Specific Standard Disclosures

•	c Staridard Disci				
DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
CATEGORY: EC	ONOMIC				
MATERIAL ASP	ECT: ECONOMIC PERFORMANCE				
G4-DMA	67				✓, see assurance statement on page 54
G4-EC1	69				✓, see assurance statement on page 54
G4-EC2	69				✓, see assurance statement on page 54
G4-EC3	72				✓, see assurance statement on page 54
G4-EC4	72				✓, see assurance statement on page 54
MATERIAL ASP	ECT: MARKET PRESENCE				
G4-DMA	67				✓, see assurance statement on page 54
G4-EC5	73				✓, see assurance statement on page 54
G4-EC6	74				√+, see assurance statement on page 54
MATERIAL ASP	ECT: INDIRECT ECONOMIC IMPACTS				
G4-DMA	67				✓, see assurance statement on page 54
G4-EC7	74				✓, see assurance statement on page 54
G4-EC8	76				✓, see assurance statement on page 54
MATERIAL ASP	ECT: PROCUREMENT PRACTICES				
G4-DMA	67				✓, see assurance statement on page 54
G4-EC9	77				✓+,see assurance statement on page 54

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
MATERIAL ASP	ECT: MATERIALS				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN1	82				✓, see assurance statement on page 54
G4-EN2	82	a. Report the percentage of recycled input materials used to manufacture the organization's primary products and services.	Not applicable.	Recycle and reuse of input materials are tracked in absolute numbers as a part of Dow's 2015 Sustainability Goals. Dow had identified and redeployed more than 344 million pounds of useable material by the end of 2014, exceeding its 2015 commitment five years early.	√+,see assurance statement on page 54
MATERIAL ASP	ECT: ENERGY				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN3	84				✓+,see assurance statement on page 54
G4-EN4	85				✓+, see assurance statement on page 54
G4-EN5	85				✓+,see assurance statement on page 54
G4-EN6	86				✓+,see assurance statement on page 54
G4-EN7	88				✓, see assurance statement on page 54
MATERIAL ASP	ECT: WATER				
G4-DMA	79,89				✓, see assurance statement on page 54
G4-EN8	91				✓+,see assurance statement on page 54
G4-EN9	92				✓+,see assurance statement on page 54

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
G4-EN10	92	a. Report the total volume of water recycled and reused by the organization	The information is currently unavailable.	Recycle and reuse totals are not compiled globally for the Company. There is an ongoing discussion on how to measure and report this data. This indicator is a long term objective for more detailed reporting in the 2025 Sustainability Goals	√+, see assurance statement on page 54
MATERIAL ASP	ECT: BIODIVERSITY				
G4-DMA	79,94				✓, see assurance statement on page 54
G4-EN11	96 See Dow's 2013-2014 Conservation Report page 3-5, Ecosystem Services Initiatives, for more information	Size of operational site in km ²	Not applicable	The size of operational sites are not reported, because the land owned by Dow is not always contiguous. It is not an accurate measure of impact.	✓+, see assurance statement on page 54
G4-EN12	97 See Dow's 2013-2014 Conservation Report page 3-5, Ecosystem Services Initiatives, for more information				√+, see assurance statement on page 54
G4-EN13	97 See Dow's 2013-2014 Conservation Report page 6-11, Global Conservation Activities, for more information				✓, see assurance statement on page 54
G4-EN14	101 See Dow's 2013-2014 Conservation Report page 6-11, Global Conservation Activities, for more information				✓+, see assurance statement on page 54

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
MATERIAL ASP	ECT: EMISSIONS				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN15	103				✓+,see assurance statement on page 54
G4-EN16	103				✓+,see assurance statement on page 54
G4-EN17	103				✓+,see assurance statement on page 54
G4-EN18	104				✓+,see assurance statement on page 54
G4-EN19	105				✓+,see assurance statement on page 54
G4-EN20	105				✓+,see assurance statement on page 54
G4-EN21	106				✓+,see assurance statement on page 54
MATERIAL ASP	ECT: EFFLUENTS AND WASTE				
G4-DMA	79				✓+,see assurance statement on page 54
G4-EN22	107	Quantitative metrics on water quality	Not applicable	Dow complies with local standards on water quality. However, the local standards are different. It is difficulty to have quantitative metrics on water quality. On average, more than 85 percent of the source water used by Dow is returned to its source of origin at equal or greater quality than the quality at the time of withdrawal.	✓+,see assurance statement on page 54
G4-EN23	108				√+,see assurance statement on page 54
G4-EN24	109				✓, see assurance statement on page 54

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
G4-EN25	109				✓, see assurance statement on page 54
G4-EN26	109				✓+,see assurance statement on page 54
MATERIAL ASPE	ECT: PRODUCTS AND SERVICES				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN27	110				√+,see assurance statement on page 54
G4-EN28	111				✓, see assurance statement on page 54
MATERIAL ASPE	ECT: COMPLIANCE				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN29	112				√+,see assurance statement on page 54
MATERIAL ASPE	ECT: TRANSPORT				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN30	112				√+,see assurance statement on page 54
MATERIAL ASPE	ECT: OVERALL				
G4-DMA	79				✓, see assurance statement on page 54
G4-EN31	114				✓, see assurance statement on page 54
MATERIAL ASPE	ECT: SUPPLIER ENVIRONMENTAL AS	SESSMENT			
G4-DMA	79				✓, see assurance statement on page 54
G4-EN32	115				✓, see assurance statement on page 54
G4-EN33	115				✓, see assurance statement on page 54
MATERIAL ASPE	ECT: ENVIRONMENTAL GRIEVANCE N	MECHANISMS			
G4-DMA	79				✓, see assurance statement on page 54
G4-EN34	115				✓, see assurance statement on page 54

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.		
CATEGORY: S	SOCIAL						
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK							
MATERIAL ASPE	ECT: EMPLOYMENT						
G4-DMA	117				✓, see assurance statement on page 54		
G4-LA1	122				✓+,see assurance statement on page 54		
G4-LA2	123				✓+,see assurance statement on page 54		
G4-LA3	123				√+,see assurance statement on page 54		
MATERIAL ASPE	ECT: LABOR/MANAGEMENT RELATIO	ONS					
G4-DMA	117				✓, see assurance statement on page 54		
G4-LA4	123				✓, see assurance statement on page 54		
MATERIAL ASPE	ECT: OCCUPATIONAL HEALTH AND S	AFETY					
G4-DMA	117				✓, see assurance statement on page 54		
G4-LA5	124				✓+,see assurance statement on page 54		
G4-LA6	125				✓+,see assurance statement on page 54		
G4-LA7	126				✓+,see assurance statement on page 54		
G4-LA8	127				✓+,see assurance statement on page 54		
MATERIAL ASPE	ECT: TRAINING AND EDUCATION						
G4-DMA	117				✓, see assurance statement on page 54		
G4-LA9	128				√+,see assurance statement on page 54		
G4-LA10	129				√+,see assurance statement on page 54		
G4-LA11	129				√+,see assurance statement on page 54		
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY							
G4-DMA	117				✓, see assurance statement on page 54		
G4-LA12	130				√+,see assurance statement on page 54		

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found. CT: EQUAL REMUNERATION FOR W	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.	
G4-DMA	117				✓, see assurance statement on page 54	
G4-LA13	134				✓+, see assurance statement on page 54	
MATERIAL ASPE	CT: SUPPLIER ASSESSMENT FOR LA	ABOR PRACTICES				
G4-DMA	117				✓, see assurance statement on page 54	
G4-LA14	135				√+,see assurance statement on page 54	
G4-LA15	135				✓, see assurance statement on page 54	
MATERIAL ASPE	CT: LABOR PRACTICES GRIEVANCE	MECHANISMS				
G4-DMA	117				✓, see assurance statement on page 54	
G4-LA16	135				√+,see assurance statement on page 54	
SUB-CATEGOR	Y: HUMAN RIGHTS					
MATERIAL ASPE	CT: INVESTMENT					
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR1	138				✓, see assurance statement on page 54	
G4-HR2	138				✓, see assurance statement on page 54	
MATERIAL ASPE	CT: NON-DISCRIMINATION					
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR3	139				✓+,see assurance statement on page 54	
MATERIAL ASPE	CT: FREEDOM OF ASSOCIATION AN	D COLLECTIVE BARGAIN	NING			
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR4	140				✓, see assurance statement on page 54	
MATERIAL ASPECT: CHILD LABOR						
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR5	140				✓, see assurance statement on page 54	

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.	
MATERIAL ASPI	ECT: FORCED OR COMPULSORY LAB	OR				
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR6	140				✓, see assurance statement on page 54	
MATERIAL ASPI	ECT: SECURITY PRACTICES					
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR7	140				✓, see assurance statement on page 54	
MATERIAL ASP	ECT: INDIGENOUS RIGHTS					
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR8	141				✓, see assurance statement on page 54	
MATERIAL ASPE	CT: ASSESSMENT					
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR9	141				✓, see assurance statement on page 54	
MATERIAL ASPI	ECT: SUPPLIER HUMAN RIGHTS ASSI	ESSMENT				
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR10	141				✓, see assurance statement on page 54	
G4-HR11	141				✓, see assurance statement on page 54	
MATERIAL ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS						
G4-DMA	137				✓, see assurance statement on page 54	
G4-HR12	141				✓, see assurance statement on page 54	

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.
SUB-CATEGO	RY: SOCIETY				
MATERIAL ASP	ECT: LOCAL COMMUNITIES				
G4-DMA	143				✓+,see assurance statement on page 54
G4-S01	149 See Dow's <u>Corporate Citizenship</u> <u>Report</u> page 4-5, Programs and Initiatives, for more information				√+,see assurance statement on page 54
G4-SO2	150				√+,see assurance statement on page 54
MATERIAL ASP	ECT: ANTI-CORRUPTION				
G4-DMA	143				✓, see assurance statement on page 54
G4-S03	152				✓, see assurance statement on page 54
G4-S04	152				✓+,see assurance statement on page 54
G4-S05	152				✓+,see assurance statement on page 54
MATERIAL ASP	ECT: PUBLIC POLICY				
G4-DMA	143, 153				✓, see assurance statement on page 54
G4-S06	155				✓+,see assurance statement on page 54
MATERIAL ASP	ECT: ANTI-COMPETITIVE BEHAVIOR				
G4-DMA	143				✓, see assurance statement on page 54
G4-S07	155				✓+,see assurance statement on page 54
MATERIAL ASP	ECT: COMPLIANCE				
G4-DMA	143				✓, see assurance statement on page 54
G4-S08	155				✓, see assurance statement on page 54

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.	
MATERIAL ASPE	ECT: SUPPLIER ASSESSMENT FOR IM	MPACTS ON SOCIETY				
G4-DMA	143				✓, see assurance statement on page 54	
G4-S09	155				✓+,see assurance statement on page 54	
G4-S010	155				✓, see assurance statement on page 54	
MATERIAL ASPE	CT: GRIEVANCE MECHANISMS FOR	IMPACTS ON SOCIETY				
G4-DMA	143				✓, see assurance statement on page 54	
G4-S011	155				✓, see assurance statement on page 54	
SUB-CATEGO	RY: PRODUCT RESPONSIBILITY					
MATERIAL ASPE	ECT: CUSTOMER HEALTH AND SAFET	ГҮ				
G4-DMA	157				✓, see assurance statement on page 54	
G4-PR1	158				√+,see assurance statement on page 54	
G4-PR2	159				√+,see assurance statement on page 54	
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING						
G4-DMA	157				✓, see assurance statement on page 54	
G4-PR3	159				✓+,see assurance statement on page 54	
G4-PR4	160				√+,see assurance statement on page 54	
G4-PR5	160				✓+,see assurance statement on page 54	

DMA and Indicators	Page Number (or Link) Information related to Standard Disclosures required by the 'in accordance' options may already be included in other reports prepared by the organization. In these circumstances, the organization may elect to add a specific reference to where the relevant information can be found.	Identified Omission(s) In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted.	Reason(s) for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission.	Explanation for Omission(s) In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted.	External Assurance Indicate if the Standard Disclosure has been externally assured. If yes, include the page reference for the External Assurance Statement in the report.	
MATERIAI ASPE	De found. CCT: MARKETING COMMUNICATIONS					
WATERIALASI L	CI. WARRETHVO COMMONICATIONS				✓, see assurance	
G4-DMA	157				statement on page 54	
G4-PR6	161				√+,see assurance statement on page 54	
G4-PR7	161				√+,see assurance statement on page 54	
MATERIAL ASPE	CT: CUSTOMER PRIVACY					
G4-DMA	157				✓, see assurance statement on page 54	
G4-PR8	161				✓, see assurance statement on page 54	
MATERIAL ASPECT: COMPLIANCE						
G4-DMA	157				✓, see assurance statement on page 54	
G4-PR9	161				✓+,see assurance statement on page 54	





