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**THE HUMAN ELEMENT:  
DOW'S NEXT DECADE OF COMMITMENT TO  
SUSTAINABILITY**

Good afternoon . . . and thank you Hank and Don. I will try my best to be worthy of that generous introduction.

And one way I plan to be worthy of it is to be brief.

I want to be brief because what I have to share with you today is, like most important ideas something that can be offered in very few words.

I'm here today to introduce to you our company's renewed commitment to sustainable business strategies and practices.

In most years, for most companies, that is something that might be done by the smart and capable specialist who leads the environmental, health and safety organization — someone like our own David Graham who is here with us today.

The reason I've asked David for permission to speak in his place is because I believe our commitment will be new and different in the world of corporate sustainability.

And because I feel so strongly about what this means for our company and for all companies that intend to be serious about their relationship with the world.

Ten years ago, we set important goals for improving our environment, health and safety performance.

We have met most of those goals, exceeded some, and have come very close in most of the others.

As a result, our workplaces are safer, our facilities are cleaner, our energy use is more efficient and our corporate governance is stronger and more vigilant.

Indeed, we have become a recognized world leader in these areas and I am very proud of every Dow employee for his or her contributions toward that achievement.

But, for all the work and dedication that went in to progress toward these goals, the goals themselves were, fundamentally, about us, about Dow, about putting our own house in better order.

To be sure, it's a job that never ends. Sustainability begins at home. And we will always have more work to do to make our company better. It was the right path for us in 1996, and it's the right path to continue down over the next ten years.

But starting today, it's only part of the path.

I'm a scientist and chemical engineer by training and temperament. And the innovator in me is always inclined to boast a little about the fact that everything in this room . . .

. . . from the clothes we're all wearing to the components of my microphone to the food we are about to enjoy together . .

. . . everything owes something to the ability of companies like ours to apply science to the improvement of the human condition.

I am deeply proud of that. I always will be. I am also well aware that we still have much work to do in raising and extending those living standards to more of the human family.

But, in addition to being an innovator, I bring another perspective to the table today. As you may be able to tell, I'm not from around these parts.

I am from a town in Australia called Darwin, which is in the tropics of the Australian north, closer to the archipelago of Indonesia than to Sydney or Melbourne.

My grandfather emigrated from Greece early in the 20th century, and when he arrived in Darwin, the town had no electricity, lots of exotic and incurable diseases, and a fair share of the world's crocodiles.

The crocs are still there, but today Darwin is a modern city of thousands of people who trace their ancestry from all over the world . . .

. . . a genuine global village.

And this second perspective tells me that — for all the precise command of the elements modern chemistry has achieved — a command that has resulted in the bounty of products that fill this room . . .

. . . it's time to think more carefully about the element, above all others, that helped my grandparents and their neighbors in Darwin collaborate and thrive . . .

. . . sharing each others burdens and triumphs, building something good and decent together.

And by that I mean The Human Element.

So, with The Human Element as my point of reference, I'm here today to share with you our company's new commitment to responsible engagement with the places we do business.

And, today, for Dow, that means, quite literally, everywhere.

A summary of our goals is in the booklets at your tables and will be available after today's meeting on our Website . . .

. . . and I encourage each of you to read about, study, comment on and, of course, hold us accountable for the specifics.

But in the time I have with you, I'd like to talk about the kind of work that needs to be done, the work that is embodied in those commitments.

**First, we will support our immediate family — the people and communities we touch directly every day.**

This means even better health and safety performance to protect our employees, a goal we have made great strides toward over the past 10 years.

But it also means strengthening our relationships with our hometown communities . . . Dow has more than 150 such home towns in 37 countries around the world.

Our commitment is to collaborate actively with the communities where we have a major presence, not simply to ensure our facilities are safe, as indeed they must be . . .

. . . but to ensure that we are a good neighbor and partner, working at the local level to identify and support the priorities that are most important to their well-being and prosperity.

**Second, we will pioneer and contribute to new solutions for some of the most serious problems faced by the most vulnerable members of the larger human family.**

Beyond our 150 hometown communities are hundreds of thousands of others — large cities and tiny villages — that face a long list of serious challenges brought on by the sheer size of the world’s population . . .

. . . and the effect of our numbers and our use of resources on our planet.

On behalf of the men and women of Dow, I commit to you today that, by 2015, our company will achieve at least three breakthroughs that will significantly improve quality of life for those facing:

The challenge of sustainable water supplies.

The challenge of an adequate food supply.

The challenge of decent housing.

The challenge of personal health and safety.

In developing these ambitious but, we believe, achievable objectives, we looked to the United Nations Millennium Development Goals for guidance. And we selected goals that were both part of the UN mandate and consistent with the science and technology we do best.

We will engage these four challenges — water, food, housing, health — because we are an organization with the resources and technology to make a genuine difference . . .

. . . and the will to be a leader.

But why be a leader? It's a fair question. Why do this? The answer is deceptively simple.

If we do not lead, we are vulnerable ourselves.

To be a successful, thriving enterprise, we need a healthy environment that meets the needs of people. We need a stable and secure political climate. We need a healthy and optimistic community of potential customers and consumers.

In other words, we are doing our part to set the stage for a future that is as full of promise and opportunity as our past has been.

**Finally, beyond the threats facing the most vulnerable, we will confront two challenges to which ALL human families are vulnerable.**

Specifically, I mean those related to (A) the unsustainable way the people of the world use energy . . . as countries, as companies and as individuals.

. . . and (B) the related problem of greenhouse gas emissions and climate change.

Our industry as a whole is the world's single most intense consumer of fossil fuels.

They are not only our energy source, they are also our raw material. We don't just burn fuel, we reorganize its chemistry to make things that are essential to modern life.

And for the near-term our industry will continue to depend on oil and natural gas as our primary sources of energy and raw material.

It is now clear that world's climate is impacted by increases in greenhouse gases, of which CO<sub>2</sub> created by the burning of fossil fuels, is the single largest component.

Some have said our industry's intense appetite for fossil fuels disqualifies us somehow from being part of the solution.

On the contrary, no one in the world is more intensely aware of the need, ultimately, to reinvent our dependency on oil and natural gas than we are.

In other words, we will lead the way on energy transformation because we have to. And we have taken some important steps already.

From 1996 to 2005, we cut our consumption of energy per pound of product by more than 20 percent. And, over the next ten years, we are confident we can improve our energy efficiency by an additional 25 percent.

With greater efficiency and a commitment to burning cleaner fuels, we will also reduce the intensity of our greenhouse gas emissions by 2.5% annually between 2006 and 2015. Because of our scale, that step alone will reduce the equivalent of the CO<sub>2</sub> emissions from 3 million automobiles or 6 million homes over this time period.

But we cannot be content with focusing on our own energy and greenhouse gas footprint.

Even today, there are Dow products — such as Styrofoam™ building insulation — and products on the horizon like low-cost hydrogen fuel cell technology — that will save more energy than they cost to create.

We must also use our resources, technology, innovation and influence to pioneer these and other new ideas for solving the problem in general.

And we will.

In 1962, I heard President Kennedy over a crackling radio say the following about the challenge of going to the moon . . .

. . . we commit to do these things “not because they are easy, but because they are hard, because that goal will serve to organize and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win.”

That challenge, like ours, was a scientific challenge. It was, like ours, a political challenge.

It was, like ours, a challenge of fostering and sustaining goodwill and collaboration among people with strong and often different interests and points of view.

We will meet those challenges.

I could not let today pass without acknowledging the incredible work of the individuals who have made this day possible and the rich heritage of commitment they have built for our company.

Frank Popoff, our former chairman, who represented our company at the pivotal Earth Summit in Rio in the early 1990s . . .

. . . and who afterward literally wrote the book — along with Livio DeSimone, then CEO of 3M and the World Business Council for Sustainable Development — on corporate sustainability. That book is called *Eco-Efficiency* and it has become the bible for large organizations seeking to create a strong, sustainable future. I encourage you to read it if you haven't.

David Buzzelli, our former board member and former CEO of Dow Canada — whose unwavering commitment to sustainability has been one of most important influences on the culture of our organization over the past quarter century.

The members of our Corporate Environmental Advisory Council , two of whom you met today, who have been so passionate and so effective at helping us steer a course that has led us to this announcement today.

And the thousands of men and women of The Dow Chemical Company who have lived and breathed our commitment to transparent public reporting and the “Triple Bottom Line,” a commitment to measuring success not just in terms of profitability, but also sustainability and social responsibility.

My message to you today is simply this: As we strive to achieve the goals I’ve outlined for you today, we will reach beyond the fences of our company.

Sustainability may begin at home, but its destiny is to engage the problems of the world, and I’m here today to tell you we will engage them.

We will engage them by raising the bar for ourselves and by being a role model for other organizations to follow.

We will build on our company's rich legacy of leadership in solving the world's most pressing problems with a spirit of fearless accountability not just for our own footprint on the planet, but the collective footprint we make because we are part of the human family.

In some cases, we know pretty well what needs to be done and how to do it.

In others, we have a roadmap, but it's a road whose twists and turns will surely be unpredictable.

For still others, we have to invent the roadmap itself. And we will. And we will make it happen by keeping faith with The Human Element.

It goes without saying that The Human Element is not, like carbon or nitrogen or iron, an element to be shaped to our will . . .

It is rather the element that shapes each of us who is a member of the human family, defines us, and will weigh whether, during our time as stewards of the bounty around us, we did more than create value, we were true to our values . . .

. . . we did more than build our net worth, we were worthy.

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