

Gary Veurink
Speech to U.S. Maritime Security Conference
New York, September 19, 2006
Length: 15 minutes

Ladies and gentlemen, Mr. Woods, Admiral Larrabee ...thank you!

On behalf of the Dow Chemical Company, I'm deeply honoured to accept this award. And my sense of honour increases tenfold when I look at the company we're included in. My congratulations and heartfelt thanks go to the United States Coast Guard. The agency has shown tremendous leadership in responding to the many crises created by hurricanes Katrina and Rita...events which not only had a significant impact on our country - but impacted my company and many of our employees on the Gulf Coast.

This award carries great significance for The Dow Chemical Company. Because by conferring it on us, you're saying that we're succeeding in fulfilling our mission. Our mission at Dow is "to constantly improve what is essential to human progress by mastering science and technology."

This mission statement speaks to more than products and profits. At the Dow Chemical Company, our mission statement is the practical, focused interpretation of the dream we all share. Our dream is of a world where life is better for everyone, a world where everyone can have clean water, enough food, and access to the products that make modern life comfortable. It's a dream that includes the entire human family in this global village of ours.

And, if you've been watching CNN lately, you may have seen our new Human Element advertising campaign which is one way we've been sharing our dream with the public.

But for our purposes today, I'll turn to the Irish Poet William Butler Yeats to capture the relationship of this dream to our company. He said, "In dreams begins responsibility." These four words say it all for me... about our mission at Dow - about our dream - and the burden we gladly shoulder with it.

I want to talk today about how our sense of corporate responsibility and commitment to a better world translates to safety, security and project stewardship.

Because Dow believes...and I believe personally, that if we're to succeed at improving the quality of life for our fellow human beings, we must - we MUST ensure that the materials we work with... the chemical building blocks we use...are NEVER used in unintended ways or cause harm.

That's why safety, security and project stewardship have long been our highest priorities. We carry a huge sense of responsibility for the safety of our employees, for the safety of our

neighbours – the people who live in the communities where we operate, and for the safety of our customers, the people around the world who use our products.

For Dow, this is indeed a world-wide responsibility. The Dow Chemical Company is more than a brand and a corporation. We are 42,000 employees, neighbours and community leaders from 400 different geographic regions around the world.

We have about 200 manufacturing sites in 38 countries that supply more than 3,200 products to customers in 175 nations. Our world-wide commitment to leadership in safety, security and product stewardship goes back to the very earliest days of our 109 year company. And in the 1980's executives in our Canadian subsidiary led the development of Responsible Care; that's with a capital R and a capital C.

Today, Responsible Care is the global chemical industry's rigorous standard for the safe and environmentally sound management of chemicals. It's now used in more than 50 countries around the world and considered by many to be the most exacting industry standard for environmental responsibility in the world today.

Our industry's earliest security initiatives grew out of Responsible Care and in 2002, the Responsible Care Security Code was adopted by the American Chemistry Council's Board of Directors.

That same year, we were recognized by a well-respected professional safety publication as one of America's safest companies. And we earned the American Chemistry Council's Sustained Excellence Award for Safety for the second year in a row.

At Dow, we take a fully integrated approach to security by evaluating all aspects of security. Our Distribution Risk Review process also dates back to pre-9/11 times. It's our method for conducting risk reviews on a business-by-business basis at the global, regional and local levels.

It's our own way of making certain we've taken the right steps to ensure the safe distribution of our products.

Since September 2001 though, we've had to contend with a new reality. We've faced the sobering knowledge that the materials we work with might be deliberately used by others to cause harm. This in spite of the fact 90% of the roughly 2.5 million shipments we make each year pose no hazard, or are low hazard materials.

And while only 1% of the remaining 10% can be considered hazardous or of highly hazardous materials, the sense of responsibility we've long carried with our dream has increased exponentially.

Let me speak for a moment about how we translate this sense of responsibility into action.

Action is driven through our global Emergency Services and Security organization.

The emergency services group ensures timely and consistent, communications on a global basis, which includes implementing standardized response plans, and sharing important information about incidents, potential threats and best practices.

In addition, we've established a Supply Chain Crisis Management Team, to prepare for and address potential disruptions in our chemical supply and distribution systems. This unit works with Dow's business areas to ensure that the capabilities of our suppliers and the needs of our customers are fully integrated into our planning and response activities.

As part of this effort each of our business areas has developed a Supply Chain Contingency and Communications Plan.

These plans identify different threat scenarios and their potential impacts on key products and raw materials, manufacturing operations and downstream customers. They also define countermeasures for each scenario, with supporting 24/7 emergency response plans.

We've also formed a Security Opportunity Management Team. This multifunctional team, which includes our external partners, focuses on the public policy aspects of terrorism. Its mandate is to provide leadership and resources for voluntary industry initiatives and proper engagement in emerging legislative and regulatory issues. It also holds our corporation accountable, so we stand consistent and credible in our actions through all our operations and throughout the different regions of the world where we work.

We plan globally, but act locally. We participate on Local Emergency Planning Committees in the various parts of the world where we operate, especially to provide support for training and preparedness of emergency responders.

We've had Community Awareness and Emergency Response programs in place since 1985, to help our local communities prepare for chemical emergencies. Also, we helped form TRANSCAER to work with local and state emergency response groups to help improve readiness along the transportation routes where our products move.

At Dow, we're longstanding believers in the effectiveness of collaboration. That's why we cooperate with industry associations, community partners and local, state and federal governments to share learnings and leverage strengths. Since 2001, we've placed even greater emphasis on this and taken the initiative in working with various stakeholder groups.

We've worked closely with US Sandia National Laboratories to develop the security vulnerability assessment methodology we use today for our internal security vulnerability assessments and have piloted Homeland Security's RAMCAP Methodology. We continue to work closely with this and other federal agencies and have federal advisory panels.

And we have an Independent Advisory Panel comprised of recognized experts to provide us with an outside of Dow perspective on these issues. Admiral Loy, whom is here today, is a member of this Panel.

Dow people have also been leading the global effort to address security through the European Chemical Industry Council, the Chlorine Institute, various committees at the American Chemistry Council and through other trade groups.

Our senior managers were involved in developing the Responsible Care Security Code and our CIO is leading the chemical sector's cyber-security effort.

We're also playing a key role in chemical industry efforts to improve security for transporting chemicals. This includes participating on the Association of American Railroads Haz-Mat Critical Action Team and the Joint Industry Rail Security Task Force.

We're members of an American Chemistry Council work group charged with developing transportation security guidelines. And we're a part of the Chlorine Institute's Transportation Security Team, which is assessing security risks and defining appropriate countermeasures for bulk transportation of chlorine by rail, barge and truck.

In the Maritime arena, Dow recommitted to its participation in the U.S. Coast Guard's Chemical Transportation Advisory Committee (CTAC). In this capacity, Dow played an important advisory role in the development of Maritime Transportation Security Act (MTSA) regulations.....and currently, Dow's Maritime Leader, James Prazak serves as Vice-Chair of the Security Committee.

Similarly, Dow's Chief Security Officer, Tim Scott, serves on the National Maritime Security Advisory Council under the appointment of the Secretary of the Department of Homeland Security.

Dow has 13 sites that fall under the Coast Guard's MTSA regulations. Further, Dow sites in a dozen countries outside the United States have leveraged their Responsible Care Security Programs to demonstrate compliance with the International Maritime Organization's (IMO) International Ship and Port Facility Security Code.

These are just some of the security initiatives we've undertaken as we continue to bear the responsibilities that come with our dreams.

Just last May, our CEO, Andrew Liveris, announced our corporate sustainability goals for 2015 as a framework to guide Dow people all over the world.

I'm proud of these goals and how they serve The Human Element. I want to tell you about two of these major goals because they speak directly to why we are here today. **First**, we will support our own immediate family - the people and communities we touch every day. Let me remind you, we're in about 200 sites in 38 countries. This means better health and safety performance to protect our employees. And it means collaborating with our neighbours where we live and work to ensure their health and safety. **Second**, we will pioneer and contribute to new solutions related to the serious problems faced by the most vulnerable members of the larger human family.

Dow has committed to achieving at least three breakthroughs to improve quality of life for people facing four crucial challenges: sustainable water supplies; adequate food supplies; decent housing; and personal health and safety.

That word safety . . . , it keeps coming up because it's such a basic human need, such an important aspect of the human element, so integral to our dreams at Dow. It's such a huge part of the sense of responsibility we carry as we work to make our dreams real.

So I leave you with two thoughts. First, I want to express my deep gratitude to those who share our sense of responsibility....to Admiral Allen, for the work the leadership of the Coast Guard this year past....and to previous winners of this award.

To Admiral James Loy, a member of Dow's Independent Advisory Panel on Chemical Security and the Coast Guard, for leadership on MTSA regulations and the IMO International Ship and Port Facility Security Code.....and also to former Commissioner Robert Bonner of U.S. Customs and Border Protection, for his organization's leadership in establishing the Customs Trade Partnership Against Terrorism.

Last I'll leave you with my promise, on behalf of the Dow Chemical Company, that we will keep pushing forward with our mission - with our dream - for a world where every member of the global village can access quality of life through the products we manufacture. That promise includes the commitment to remember the immutable truth of Mr. Yeats' dictum: "In dreams begins responsibility." Our dream bears a heavy responsibility, to ensure that our products bring only good, that they do no harm. We will never forget that, and we will never stop improving our efforts to keep our industry safe and secure from all threats.

Thank you.