



**Process Safety
Risk Management**



The Dow Chemical Company Process Safety Metrics Journey

KPS

31 January 2012



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Why have corporate PS metrics?

- Company Vision and Values
- Adoption of common process safety metrics across the company provides for:
 - ✓ **continual process safety improvement,**
 - ✓ Identification, prioritization and action on systemic problem areas
 - ✓ mitigation and elimination of risks,
 - ✓ broad process safety management system performance and action



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Eliminating unplanned Process-Related Incidents is an essential component in meeting Dow's vision:

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

Most respected includes Dow's goal of **Zero** Process Safety, LOPC, Injury / Illness incidents

- *PSIs have the greatest potential for **catastrophic impact** on our people and communities, our reputation and on our business profitability.*
- *Every Loss of Primary Containment is a potential Process Safety Incident*
- *Process related injuries directly impact our people*

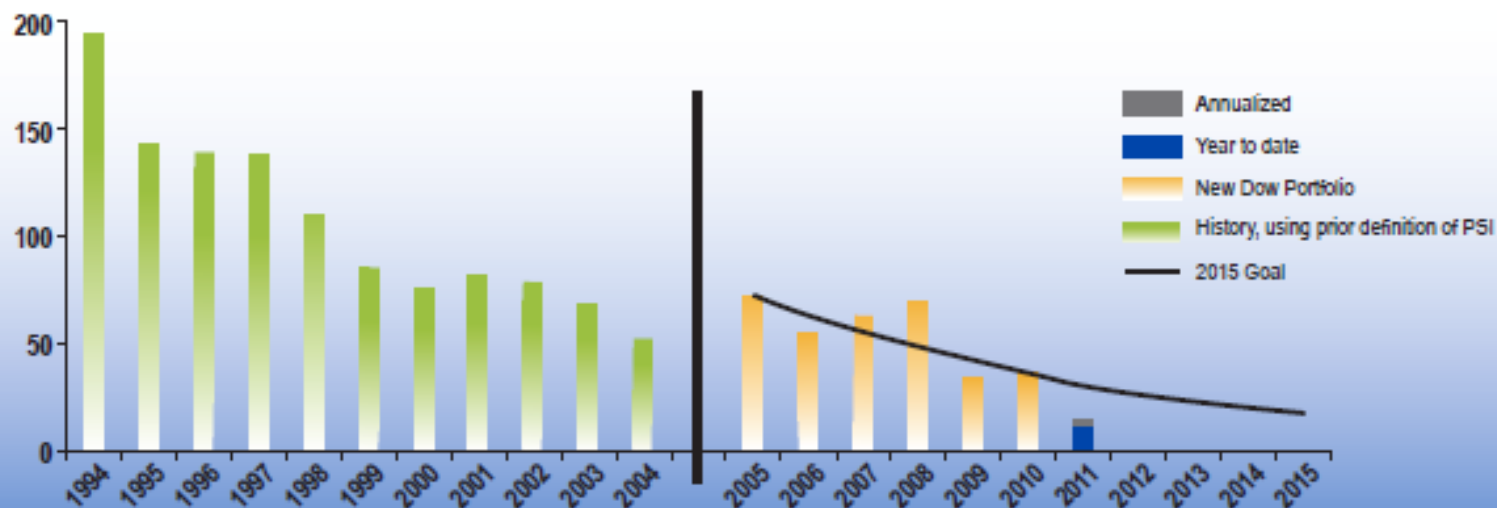


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Tier 1 – PSIs, Significant LOPCs

Process Safety Incidents



Q3 2011 marked another excellent quarter in Process Safety Performance. We have experienced 12 events year-to-date, and when annualized, this implies a 2011 total of 16 incidents. This would beat our target for the year by more than 50%, and represents an accomplishment that is better than our target for 2015, the end of our 10-year goal period.

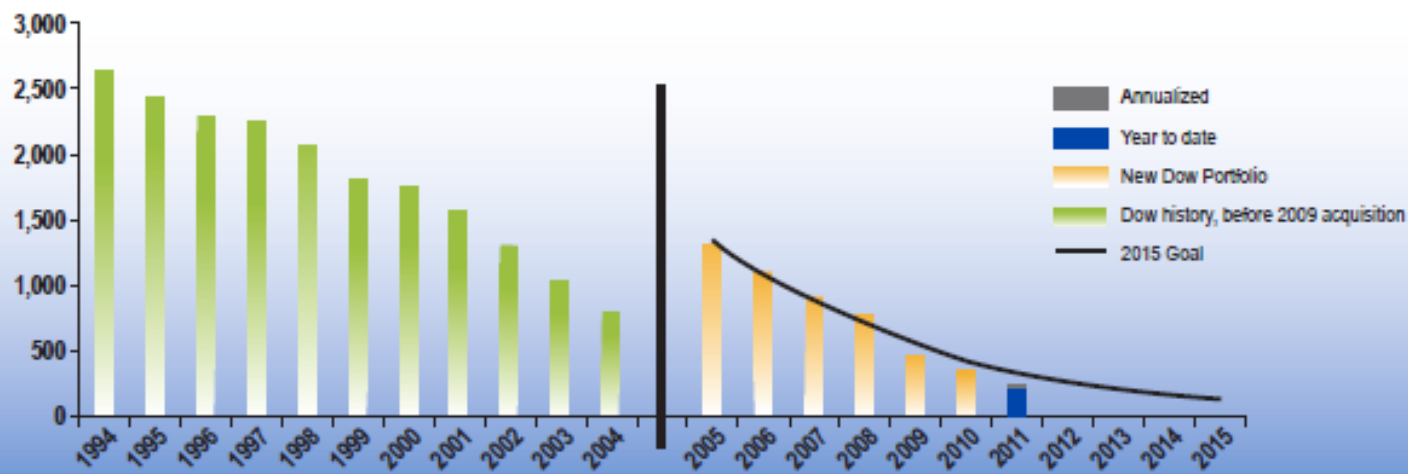


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Tier 2 – LOPCs of lesser significance

Loss of Primary Containment Incidents



At the end of Q3 2011, 196 Loss of Primary Containment incidents have occurred. This translates into an annual rate that is 27% better than all of 2010. A total of 261 for the year would represent a performance that would be 22% better than our target for 2011. The 2015 Goal of 130 or fewer incidents is a 90% reduction from 2005.



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Journey

- Did we know how we were going to get there?
- Learning along the way
 - ✓ Starts with consistent reporting across the enterprise
 - ✓ Focus efforts based on analysis of data
 - ✓ Must Prioritize
 - ✓ In time, targeted focus shifts from everyone to problem areas



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Why public goals?

2015 SUSTAINABILITY GOALS



3Q 2011 Update





Why have public corporate PS metrics?

- Company Vision and Values
- Belief that “Driving to Zero” is the right thing to do
 - ✓ Company data
- Business case for Process Safety
 - ✓ Economic Return
- Public reporting is the ultimate in accountability...
there is no question where the Board or Senior Leadership stand



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Public goals considerations

- Commitment
- Transparency
- Reporting Experience, Confidence
- Backlash
- Negative perception