

Productivity Increas... Dream Realizers...
Cost Reducers... Possibility Expander...
Efficiency Experts... Product Stewards...
Growth Promoters... Possibility Expander...
Need Fulfillers... Product Stewards...
Possibility Expanders... Possibility Expander...
Dream Realizers... Product Stewards...
Community Investors... Possibility Expander...
Energy Savers... Product Stewards...
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Dow Corning Sustainability

2004 Summary Report

EDUCATORS



EXPANDERS



INNOVATORS





Wearing many different hats – a time-tested expression about filling many roles – has renewed meaning for us in today’s fast-paced world. I’d like to reflect for a moment on how it may be applied to Dow Corning as a global company committed to sustainability.

Dow Corning “wears” three hats simultaneously, representing our social, economic and environmental responsibilities. But the trick is that we can’t take off one of these hats to put on another. For instance, we can’t choose to be economically successful while disregarding the needs of society. We must carefully apply our talents, resources and effort to simultaneously advance the quality of life, improve our environmental performance and create economic growth.

Since I was a young girl, I have considered myself to be an explorer of sorts – picturing myself, at times, in an astronaut’s helmet or a safari pith helmet. In my role at Dow Corning, I often put on my “explorer’s hat” – figuratively speaking. Exploration meshes with our Dow Corning Vision, which states, “We are innovative leaders, unleashing the power of silicon to benefit everyone, everywhere.”

Dow Corning people *are* explorers, delving into the unknown to discover product and service solutions to meet our customers’ needs exactly. They are also teachers... safety wardens... quality control specialists... and yes, scientists, engineers and customer service representatives.

In short, the people of Dow Corning work collectively to meet customer needs exactly, while fulfilling our three sustainability roles. We wear many different hats. Try them on with us in the pages of this report... and see how good we look!

Sincerely,

Stephanie Burns, president and CEO



Which Dow Corning Do You Need Today?

Meet Dow Corning...

Back in 1943, Dow Corning was created as a joint venture between Corning Glass Works (now Corning Incorporated) and The Dow Chemical Company, which continue to own equal shares today. In the early days, Dow Corning played a pioneering role in exploring the untapped potential of silicones for commercial applications. Today, the company has expanded to a global leadership role in silicon-based technology and innovation.

A Responsible Care® Company

Global leadership necessitates global responsibility. That is why we are a proud participant in the Responsible Care® Program of the American Chemistry Council (ACC). In fact, Dow Corning recently deployed a new global Operational Excellence Management System (OEMS) that will take our Responsible Care® performance to a more robust level.

Throughout the next two years, we will roll out this OEMS and audit it against ACC requirements on a site-by-site basis. This will proactively engage Dow Corning employees globally, more firmly embedding Responsible Care® into our corporate culture.



Meeting Customer Needs, Exactly

Dow Corning is working to meet customer needs through:

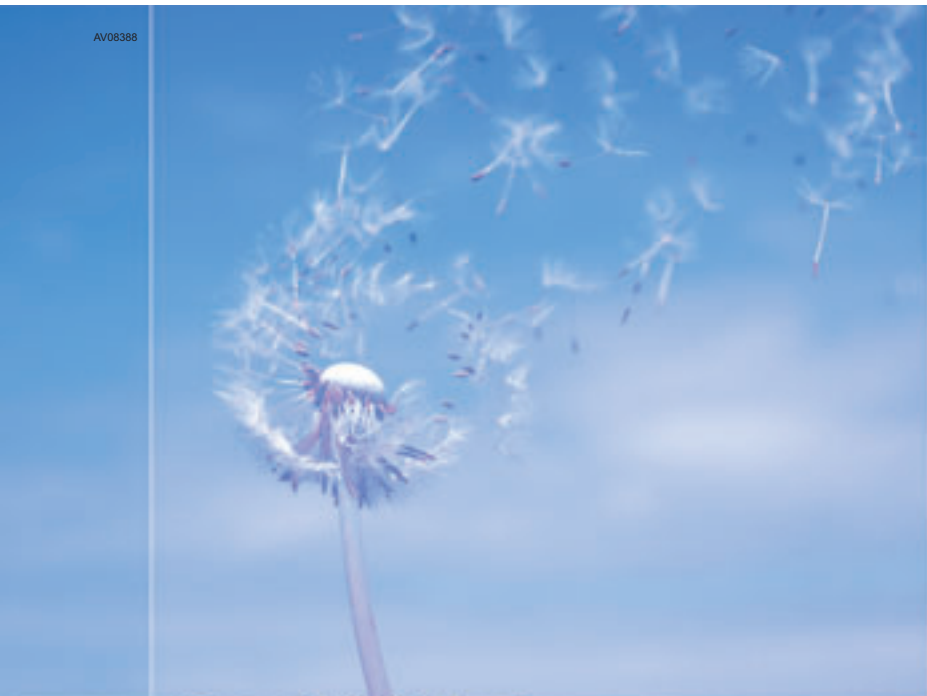
- Innovative *products and technologies* – for applications in virtually every industry.
- A wide range of *services and solutions* – from Analytical Services, to Facilities Design and Engineering, to Process and Supply Chain Optimization.
- Our *people* – 8,800 of them around the world.

Our people are the vitality and strength of the corporation. They develop products, technologies, services and solutions to meet the exact needs of many thousands of customers globally. Whatever role they are in – whether they are wearing the hat of a researcher, analytical scientist, market expert, financier, manufacturing engineer or inventor – they apply their expertise with a commitment to meeting the needs of society, the environment and the economy.

The people of Dow Corning are keen listeners and flexible thinkers... community investors and product stewards... efficiency experts and growth promoters... and so much more. The question we have for you is simple:

*“Which Dow Corning do **you** need today?”*





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*We are innovative leaders
unleashing the power of silicon
to benefit everyone, everywhere.*

Sustainability Guiding Principles

Building on the Responsible Care® framework, Dow Corning promotes its own Sustainability Guiding Principles to provide direction consistent with our Values. These Principles will enable sustainability to be integrated into our business strategies, decisions and operations:

- Sustainability is fundamental to our future success. As we grow our business, we will be guided by our commitment to do so in an open, sustainable manner.
- To be sustainable and provide economic value to our shareholders we will:
 - Reduce the environmental impact and improve the health and safety aspects of our current and future operations, products and services.
 - Foster the well-being of our employees and the communities that contribute to our current and future success.
 - Bring new products and services to customers and markets that do not benefit from them today.

Vision

*We are innovative leaders
unleashing the power of silicon
to benefit everyone, everywhere.*

These three simple lines set the compass for Dow Corning's future. As a leader in silicon-based technologies and the markets we serve, we will harness our strong technological innovation to create new applications. We will launch the power of silicon into new areas of discovery, participating in emerging frontiers of science and technology.

Today, our products and services improve the quality of life of about one billion people around the world. We want to reach everyone, everywhere, with those benefits.

Values

Together, Dow Corning's Values form the foundation on which our employees base their day-to-day business behaviors.

Integrity: We show our integrity by our ethical behavior and our respect for society's values.

Employees: Our employees are the source of our ideas, actions and performance. Employees can best achieve their full potential in an environment of fairness and respect, self-fulfillment, teamwork and dedication to excellence.

Customers: We work with our customers in the spirit of long-term relationships based on making the customer's interests our interests.

Safety: Our priority of safety is based on our commitment to an injury-free work environment, individual self-worth and consideration for the well-being of other people.

Quality: Our constant goal of quality performance is based on understanding and meeting our customers' needs exactly.

Sustainability: We will support the principles of sustainability through our business strategies, processes, products and solutions. We will act responsibly to create economic growth and value, improve the quality of life and our environmental performance.

Technology: We will advance the chemistry and related sciences in our chosen fields to contribute to our customers' success and differentiate Dow Corning from our competitors.

Recent Milestones

Every year has its milestones. During 2004, Dow Corning...

- *Embarked on expansion of the Songjiang Application Center in Shanghai, China, increasing our capability to provide innovative solutions for customers in Asia.*
- *Joined a consortium supporting strategic research and development at the Cambridge University Centre for Advanced Photonics and Electronics (CAPE).*
- *Emerged from Chapter 11 on June 1, bringing to closure a decade-long controversy related to silicone breast implants. Throughout the journey, we remained sensitive to the concerns of the women involved and committed to the well being of our employees, our communities, our customers and their customers.*
- *Celebrated the 50th anniversary of our Greensboro, North Carolina, site – and its 25 years without a Lost Time Injury (LTI).*
- *Announced purchase of the silicone division of Nippon Unicar Co., Ltd. (NUC) by Dow Corning Toray Silicone Co., Ltd. (DCTS), consolidating the two operations to better meet the needs of customers in Japan.*
- *Dedicated the new location of the Compound Semiconductor Solutions Business, consolidating people and assets from locations in three U.S. states to the Auburn, Michigan, site.*



EDUCATION

Fostering Education Around the

Our futures depend on having educated, skilled and motivated young people in our global society. So Dow Corning works to build strong links with schools in the communities where we live and work. Here are a few examples...

Through the non-profit Akanksha Foundation, Dow Corning India has sponsored two years of post-high school education for three deserving children – enabling them to further their math and science studies. In addition, Dow Corning has sponsored a teacher to coach children in eighth through tenth grades in math and science.



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EDUCATION



Evani Carnier, Safety, Health and Environmental team leader



Barry – Socially Responsible Neighbor

The Chemical Industries Association (CIA) of the United Kingdom recently presented its coveted Better Reputation Award to Dow Corning's site in Barry, Wales. The award recognizes the site for helping to improve the reputation of the chemical industry through an exemplary community relations program.

"I am absolutely thrilled by this award, because it recognizes the many site activities that have earned goodwill and trust among our local stakeholders," said Jonathan Coldman, community relations coordinator for the Barry site. "It helps to confirm that Dow Corning works hard at being a socially responsible neighbor and testifies to the effectiveness of our approach for ensuring two-way communications."

"It is very gratifying to be associated with Akanksha, and to positively impact the lives of these children through education in science and mathematics – two disciplines that are key to Dow Corning," said Raj Kapur, regional manager, India and South Asia. "The children are our future, and this investment in their education will help to ensure their success, as well as ours."

At Dow Corning Korea's Jincheon site, employees conducted a half-day science class and site tour in 2004 – part of ongoing efforts to build a strong and positive relationship with the community. Three teachers and about 35 fifth- and sixth-grade students from the nearby Manseung Elementary School were invited to experience "science in life." Dow Corning Korea also donated microscopes and safety glasses to support biology classes at the school.

In another example, Dow Corning has partnered with regional government, local foundations and other companies to support education in Campinas, Brazil. The Quality in Education Program provides elementary school teachers with valuable training in mathematics and Portuguese. It has been implemented in five public schools, benefiting 200 teachers and 3,500 students annually.

"Dow Corning helped to expand the program from its original São Paulo, Brazil, location to Campinas," said Evani Carnier, Safety, Health and Environmental team leader and active contributor to the Quality in Education Program. "I am proud to be a part of an initiative that touches the future of so many children in less privileged areas."

Meanwhile, in Carroll County, Kentucky, the Classroom Coach Program is in its second academic year and going strong. From January to April of 2004, more than 20 Dow Corning volunteers provided one-on-one math instruction to eighth-grade students from Carroll County Middle School. The students learned how to use geometry, fractions and percentages in everyday situations. They designed a game and even a shopping mall to apply the concepts they learned.

In the first part of the 2004-5 school year, 85 percent of those students were earning average or above average grades (A's, B's and C's) in their high school freshman algebra classes. Classroom Coach has inspired similar tutoring programs near the Dow Corning site in Barry, Wales.



Comforting Cats and Canines



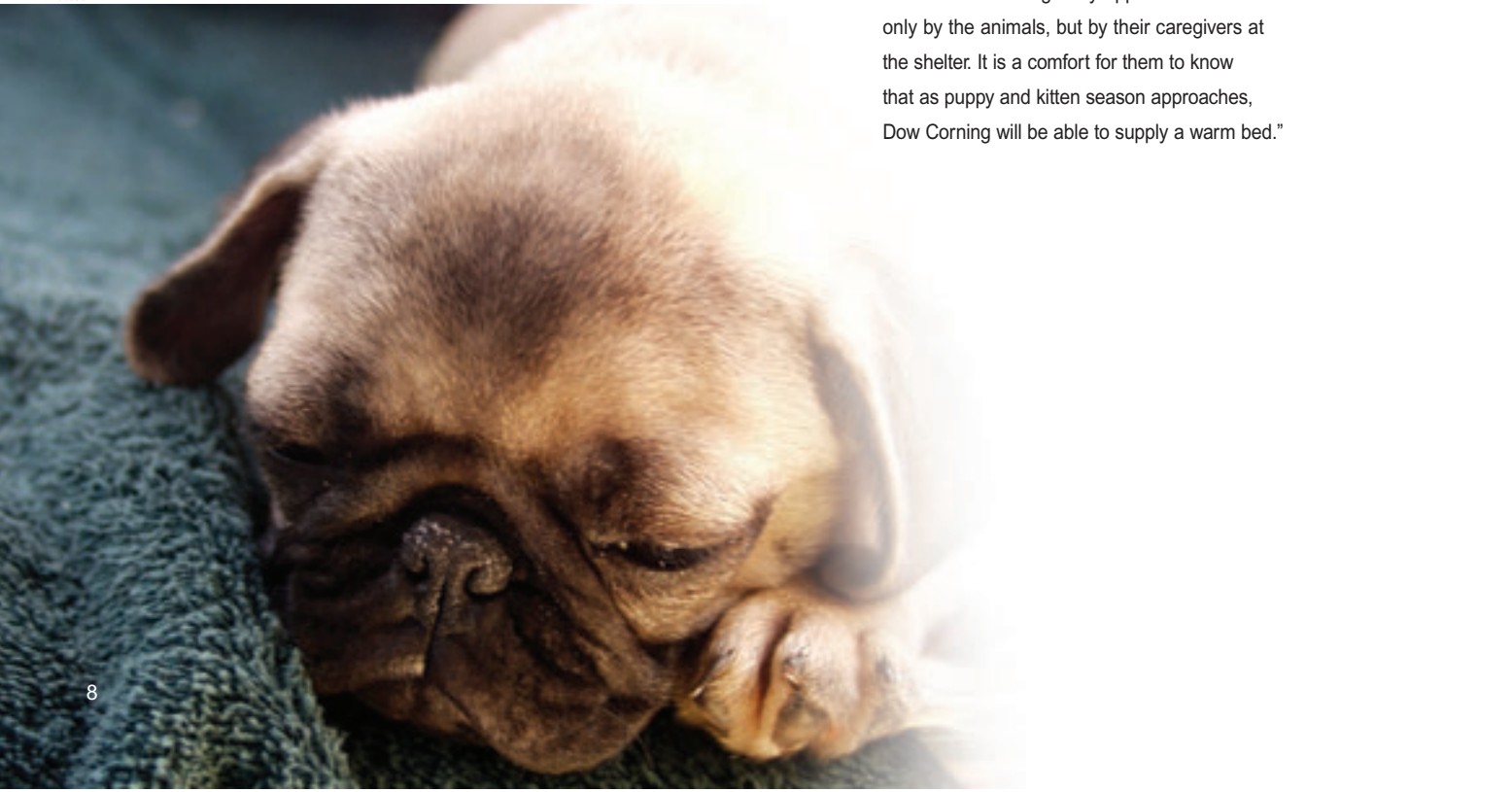
When a lonely puppy is brought to the Midland Animal Shelter, it is comforted and placed on a bed of soft, warm cotton towels... donated by Dow Corning Life Sciences in Midland, Michigan.

Each year, Life Sciences confirms the effectiveness of fabric softeners and antifoams for laundry detergents using hundreds of new cotton towels and pillowcases. Then, the soft

towels and pillowcases are donated to the local animal shelter.

"The towels are used to dry wet animals while the pillowcases are used to line the cages, keeping newborns safe and off the wires," said Robin Hickerson, application engineer, Technical Service. "It is rewarding to provide some comfort for these abandoned pets, as they wait for the comforts of a real home. Our donations are greatly appreciated not only by the animals, but by their caregivers at the shelter. It is a comfort for them to know that as puppy and kitten season approaches, Dow Corning will be able to supply a warm bed."

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Recycling Builds Skill, Smiles

Through a recycling program with Dow Corning, employees of the Arnold Center – a Midland, Michigan, agency that provides employment and training assistance for people with disabilities – are learning valuable job skills while helping the environment.

During the past 16 years, the Arnold Center has recycled approximately 15 million pounds of office paper from Dow Corning and an additional 15 million pounds of paper from 60 other local businesses and organizations. Think about that... 30 million pounds of paper kept out of the landfill or incinerators!

In 2004, a grant from the Dow Corning Foundation enabled the center to refurbish its original recycling equipment, which was provided by Dow Corning back in 1989.

"We are extremely proud to be a partner in paper recycling with the Arnold Center," said Kim Hohisel, Environmental Operations team leader. "Through our longstanding relationship, we have been able to achieve many lasting results. In addition to the obvious environmental benefits, our combined efforts have had a truly significant impact on the people involved and on the community."



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SURF
TREASURE

GROW

PROTECT

SU



Converting “Trash” to Treasure

Some scrap sealant in bright yellow... a fluid that isn't quite up to specifications... an emulsion that is past its shelf life. What do these things have in common? While some might consider these materials to be waste, Dow Corning views them as potential sources for recycling and reuse.

The Materials Conversion Product Line was formed in 2004. Its purpose is to recover waste, scrap and off-specification materials throughout the company, and then either convert them to usable products or sell them directly into alternative markets or applications. In this way,

they are both protecting the environment and meeting customer needs in fresh, new ways.

“In the past year, we've worked to convert many materials previously destined for disposal,” said Mohamed Ahmed, director of Corporate Safety & Environment. “We have helped to keep materials out of landfills and incinerators by discovering and applying their hidden value to new applications.”



AV08390

Helping Customers Go Solvent-Free

In today's world, many companies are seeking solvent-free products and processes to help improve air quality... increase the health and safety profile of the work environment... and reduce transportation, storage and application risks associated with flammable solvents. Dow Corning is responding with workable solvent-free solutions for customers in a variety of industries. Here are three good examples.

In Slovenia, Dow Corning has enabled a producer of glass fiber-reinforced tubing to convert to solventless cure technology for its liquid silicone rubber. To stay ahead of anticipated emissions regulations and to establish a safer process, the customer elected to use a completely new process technology – without any solvent.

"Our technical experts offered a solventless solution that helped our customer improve environmental and safety performance, while maintaining product performance," said Dirk Kulla, technical specialist, Silicone Rubber, Europe.

In China, Dow Corning has enabled a key producer of labels and release liners to move toward a higher speed auto-labeling system using solventless release coatings.

"Our customer sought to eliminate the high costs and flammability issues associated with the solvent being used," said Ted Yang, Solutions Business, development manager. "In addition to supplying product for a new system, Dow Corning leveraged nearby technical resources and connections with machinery suppliers in other parts of Asia to provide a complete solution for the customer."

Also in China, Dow Corning helped a shoe sole manufacturer to find an alternative to a solvent-based material for releasing shoe soles from molds. A new, water-based emulsion was locally developed in a Songjiang laboratory. This new water-based product completely eliminates solvent vapor during production, and simplifies cleaning and machine maintenance.

"Solvent-free solutions from Dow Corning enable safer processes and help our customers comply with environmental regulations," said Bee Yung, commercial manager, Textiles and Specialty Chemicals Manufacturing. "The keys to success are listening, understanding customer needs and collaborating with our team members to develop solutions."

Sleep Saves Energy

Sleep is good – especially for a computer monitor! Proactive use of "sleep mode" not only helps to extend monitor life, but also helps to save energy. That's why Dow Corning is a participant in the ENERGY STAR® "Million Monitor Drive" sponsored by the U.S. Environmental Protection Agency (EPA).

"This program confirms my belief that even small steps to conserve energy can reap big rewards," said Mike Storey, energy leader. "In 2004, we made an easy programming change that sets our 8,000 monitors globally to 'go to sleep' after 15 minutes of inactivity. Through this simple power management step, Dow Corning will save approximately \$100,000 (USD) in electricity costs per year."

To put that into perspective, the electricity saved each year from the sleeping monitors would be enough to light 2,000 houses at night!



Clean Corporate Citizen

As Dow Corning continues its sustainable development journey, a recent honor provides a welcome sign that we are on the right road. The Midland site was designated as a 2004 Clean Corporate Citizen by the State of Michigan.

"Our focus has always been to reduce the environmental impact and improve the health and safety of our current and future operations, products and services," said Richard Rausch, Environmental Services manager. "Achieving the Clean Corporate Citizen status validates our approach and recognizes this effort. It is a proud moment for our 267-acre site."

The Midland site was awarded the designation for developing and implementing an environmental management system, practicing pollution prevention, and maintaining a strong environmental compliance record.

Improving Energy Efficiency to Cut

A cohesive approach to energy efficiency can deliver far-reaching environmental, economic and social results. That is why Dow Corning is so actively committed to the energy arena, as reflected in site-specific and corporate-based efforts around the world.

“For each unit of fossil fuel energy that we reduce, we are preserving natural resources for future generations,” said Larry Kurin, director of Global Energy and Utilities.

“Reduced use of fossil energy saves natural resources and helps to reduce our emissions of carbon dioxide [CO₂] and other greenhouse gases [GHGs]. It also saves the company money, creating economic value to re-invest in silicon materials that can improve the quality of life around the world.”

The following examples focus on how specific energy efficiency efforts are helping the environment, through conservation of natural resources and reduced GHG emissions.

Chicago Climate Exchange Membership

Dow Corning is demonstrating its proactive commitment to reduce GHGs through voluntary membership in the Chicago Climate Exchange (CCX). As a CCX member, we have committed to reduce GHG emissions by one percent per year for four years by 2006, measured against a baseline of average annual emissions from 1998 to 2001. Members who reduce emissions beyond this target are able to sell those reductions on the Exchange.

“More than 90 percent of our GHG emissions come from burning fossil fuel to power our manufacturing processes,” said Larry. “That is why energy efficiency improvements in our manufacturing facilities are so vital.”

In addition to improved energy efficiency, Dow Corning will achieve its CCX targets by encouraging employees to integrate GHG reduction into business processes, exploring opportunities to switch to less carbon-intensive fuels and participating in GHG offset projects (such as reforestation) that help to capture and secure carbon before it reaches the atmosphere.

Carrollton Natural Gas Savings

Dow Corning’s plant in Carrollton, Kentucky, has achieved significant natural gas savings – enough to heat nearly 900 homes during the winter. This has resulted in a corresponding reduction in CO₂ emissions equivalent to driving 10 million fewer miles each year!

Six Sigma, a disciplined, data-based improvement methodology, was used to study and reduce the plant’s use of natural gas to make steam. Through the project, employees made technical equipment adjustments that resulted in reduced consumption of natural gas – and cut CO₂ emissions by more than 10 million pounds!

“Our Six Sigma team was able to conserve natural resources, create value for Dow Corning and reduce emissions of a major greenhouse gas – all at once,” said Chris Gatti, project leader. “That combination of results just doesn’t happen every day!”

In late 2004, the American Chemistry Council recognized Carrollton’s energy efficiency improvements with a “Significant Improvement in



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Emissions

Manufacturing" award. The award is presented to companies that improve energy efficiency in their manufacturing operations through technical innovations, creative projects or novel procedures or actions.

Seneffe Energy Efficiency Improvement

The "Energy Branch Agreement" in the Walloon region of Belgium is helping manufacturers to minimize their CO₂ emissions through improved energy efficiency. And Dow Corning's site in Seneffe, Belgium, is taking part.

The Energy Branch Agreement tracks participating companies' CO₂ emissions relative to their production rates. Using this measure, called Energy Efficiency Index (EEI), allows for environmental improvements within the context of responsible growth.

Through the agreement, Seneffe has committed to reducing its EEI 12.5 percent from its 2000 baseline by 2012. Dow Corning will be exempted from any new regional taxes for CO₂ emissions if the site meets this 2012 goal.

The site has achieved an 18 percent improvement in its EEI after only two years, through process improvements, energy management controls and behavioral changes. Employees are now evaluating alternative energy sources, such as wind power, as means for further cutting CO₂ emissions.

"We will continue our effort, because of both its perfect economic sense and positive environmental value," said Jean Iker, site manager, Seneffe. "We must act today to protect our atmosphere and our world for tomorrow."

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Energy-Efficient Tires... On-Road Reality

"Green" tires – the name for energy-efficient tires that use silane-treated silica as a reinforcing tread filler – have existed since the 1990s. However, higher manufacturing costs have limited the introduction and development of this technology to some markets. Until now...

"Dow Corning has developed a lower-cost, more streamlined technology for making the silane used in this application," said Thierry Materne, Global Silane Technology & Business Development manager. "This technology is helping sustainability-minded tire manufacturers to more affordably produce green tires, extending their improved traction to more consumers and their environmental benefits to the world."



Since the Dow Corning technology requires no salt filtration, hazardous solvents or solvent recovery, tire manufacturers can demonstrate more environmentally friendly production practices. But the biggest environmental benefits come from consumer use of the specialized green tires.

The increased rolling efficiency of silica-and-silane-reinforced tires versus that of conventional carbon-black-reinforced tires reduces vehicle fuel consumption. Reduced fuel use, in turn, reduces carbon dioxide emissions. The on-road use of silica-and-silane-reinforced tires saves tons of CO₂ over the lifetime of the tires – an excellent trade-off for the one ton of CO₂ created during production of the silane.

Today, the silane manufacturing technology developed by Dow Corning is making production of green tires possible – and economical – for tire manufacturers. That, in turn, will let drivers around the world experience the performance and environmental friendliness of green tires... mile after mile.

Tracking Our

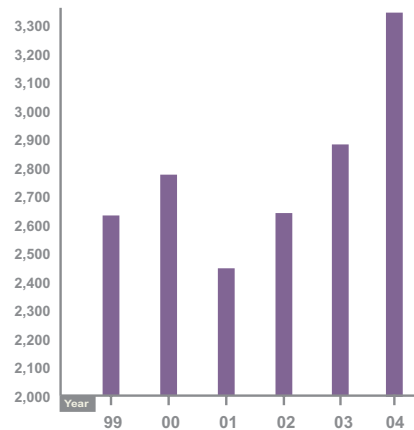
“Financial success is a vital part of a company’s sustainability performance,” said Don Sheets, vice president and chief financial officer.

“Economic growth enables funding for social projects that enhance quality of life, and environmental improvements that make our processes safer and cleaner. Growth also facilitates new product development that will help us to meet future customer needs and improve lives around the world.”

Strong worldwide demand for Dow Corning products and services contributed to excellent financial results for 2004. Here are some highlights:

- 2004 sales were \$3.37 billion, up 17 percent over 2003.
- 2004 operating income was \$442.2 million, up 30 percent over 2003. Net income in 2004 was \$238.3 million, up 35 percent over 2003.

Dow Corning Annual Sales
In millions of U.S. dollars



Key Financial Data

In millions of U.S. dollars

Year ended December 31	2002	2003	2004
Net Sales	2,610.1	2,872.5	3,372.6
Operating Income	142.5	340.8	442.2
Net Income (Loss)	58.7	176.6	238.3

Reforestation Partners

Productivity Increasers

Cost Reducers

Efficiency Experts

Growth Promoters

Need Fulfillers

Possibility Expanders

Dream Realizers

Community Investors

Energy Savers

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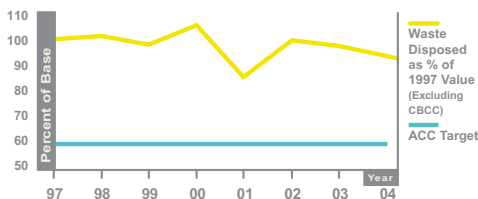
Reforestation Partners

Productivity Increasers

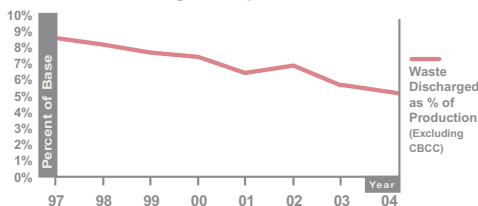
Cost Reducers

Progress

Corporate Waste Performance



Waste Discharge Compared to Production



Waste Reduction

Dow Corning worked with the American Chemistry Council (ACC) to set an aggressive waste reduction goal: by the end of 2004, the company will reduce the absolute annual volume of waste emitted to the environment by 40 percent, using 1997 as the base year. Actual data through the end of 2004 for all Dow Corning sites, except CBCC (we acquired CBCC after the ACC goal was established), indicates a 6.5 percent reduction in the quantity of waste disposed compared with 1997.

While we are disappointed that we did not achieve our goal, it is important to note that Dow Corning's production output has increased significantly – approximately 34 percent – during the same timeframe. Waste discharged as a percent of production has gone from 8.45 percent in 1997 to 5.19 percent in 2004 – an impressive 38 percent decrease. This is evidence that we are making good progress, and learning how to become more efficient and sustainable with our processes.

The charts on the left show absolute waste reduction since 1997 and the waste discharged as a percent of production.

U.S. Toxic Release Inventory (Releases to Air, Water and Land)

Dow Corning has reduced emissions to the air by 49 percent compared to the 1997 baseline, and emissions to the water by 78 percent. We have completely eliminated landfill disposal of TRI materials. These reductions have occurred in tandem with continuing increases in production. While we are reporting slight increases in air and water emissions for 2003, they are well within our permitted levels. A program has been established to remove some of the materials previously emitted to the air and reclaim them for beneficial use.

U.S. Toxic Release Inventory (kg)

	1997	1998	1999	2000	2001	2002	2003	2003 Reduction vs. 1997
Air	223,677	197,675	166,898	127,571	103,361	110,493	115,112	49%
Water	910	1,010	370	655	626	73	198	78%
Landfill	7,736	6,219	4,950	2,061	2,917	0	0	100%
Total Releases	232,323	204,904	172,218	130,287	106,904	110,566	115,310	50%

Toxic Release Inventory data reports previous year's activities. Data for 2004 will be available in 2005.

Process Safety



Process Safety

Dow Corning is committed to the safety of our employees and communities. We build process safety into our operations and then track our progress to direct improvement efforts. The charts on the left show that the number of total releases decreased 24 percent from 2003 to 2004. The number of spills also decreased slightly; however, we experienced a slight increase in the number of fires. Each incident was thoroughly investigated and measures have been taken to decrease future risk.

Employee Health & Safety

Employee Health & Safety at Dow Corning is based on preventing situations that cause injury or illness, and on prompt reporting of all injuries and illnesses that do occur. Our Safety Brilliance program, launched in late 2001, is working to develop a safety mindset that pervades our entire corporate culture. The continuing decrease in illnesses and injuries is an indicator of employee commitment and focus in this important area.

We use U.S. rules to define and track recordable cases of injury and illness, leading to calculations of Occupational Injury and Illness Rates (OIIR) and Lost Time Illness/Injury (LTI) rates globally. We investigate LTIs to determine causes and take action as appropriate to prevent similar incidents.

Employee Health & Safety: Total Number of Incidents

Occupational Injury and Illness Rates and Lost Time Illness/Injury Rates

	1997	1998	1999	2000	2001	2002	2003	2004
OIIR*	3.25	2.48	2.48	2.54	2.56	2.38	2.15	1.81
LTIR**	0.39	0.20	0.26	0.28	0.31	0.39	0.24	0.16

* This measurement represents all injuries and illnesses, per 100 employees, that occur on the job and require more than first-aid treatment.

** This measurement represents the number of people for a population of 100 that missed work for one or more days during a particular year due to a work-related injury or illness.

WORK

Safer Subway Seats ... All Aboard!

Today's mass transportation systems must deliver optimum safety, comfort and performance. In 2004, Dow Corning Korea helped an automotive seating manufacturer to deliver such a solution, resulting in a safer seat assembly that is already being used in one city's subway coaches.

Dow Corning presented the customer with a silicone foam as a product candidate. The customer then developed a molding technology for use with the foam and conducted fire performance tests on the seat assembly. While conventional seating materials can burn easily and create toxic smoke in the event of a fire, the silicone foam exhibited outstanding fire performance with non-toxic smoke in the customer tests. It was selected as the best material for the job.

"We worked to identify an appropriate material for our customer and helped to fine-tune their new automated molding process," said Jun Hur, sales leader. "They were able to roll out their new seating application just six months after project launch."

Korea has about 6,000 passenger coaches in its subway system that could potentially benefit from the new seating solution in the future.



AV08401

Smoothing the Way to Better Sun Care

It is widely known that overexposure to the sun can cause premature aging to the skin and even skin cancer. Yet many people still resist using sun care products, because they associate them with a sticky or greasy feeling.

"I want to help change the common mindset about sun care products," said Myriam Delvaux, global marketing manager. "Specialty silicones can add a dry, silky texture to sun care formulations. And consumers who like the feel of a product are more likely to use it and benefit from its protection."

Myriam and her colleagues in Dow Corning Life Sciences are developing a variety of specialty silicones to make today's sun care products more comfortable and effective. These specialty silicones resist wash-off so products work better and last longer. They can be combined with organic and inorganic sunscreens, which may boost the SPF of sun care formulations. And, since they help products to spread more easily, they may allow formulators to decrease levels of sunscreen actives that can irritate the skin.

Think about that the next time you go to the park or the beach. And then reach – for the sunscreen!

Driving Toward the Future

Imagine being able to improve traffic flow, road safety, fuel economy, and air quality on a busy highway – all at the flip of a switch. While it may sound like science fiction, this scenario has become a reality in The Netherlands. Dynamic Road Marking has replaced conventional painted lines in the City of The Hague, enabling creation of extra lanes in busy conditions. And Dow Corning helped to make it happen.

The innovative, lighted lanes – along with dynamic in-road signs to indicate bus, taxi, or toll lanes – have been tested in The Hague and are being promoted for similar projects worldwide. They use bright, long-lasting, Light Emitting Diode (LED) technology from a major global lighting manufacturer – protected with high-tech silicone encapsulants from Dow Corning. The silicone encapsulants shield the sensitive LED circuitry from weather and heavy traffic.

The LED marking system is engineered for 24-hour visibility, so drivers can see the widening and narrowing of the road ahead. Road capacity can be increased 30 to 100 percent by creating extra lanes or merging existing lanes in response to traffic patterns. And customer test results show that traffic congestion can be reduced by almost 60 percent. Together, these benefits mean that people can get where they are going more efficiently... and safely.

"This technology helps save time, fuel and air quality," said Luc Van Cotthem, account manager. "Plus, the LEDs make road markings easier to see at night and in bad weather. So, by protecting the LEDs, Dow Corning is also helping to protect people."



Bottoms Up!

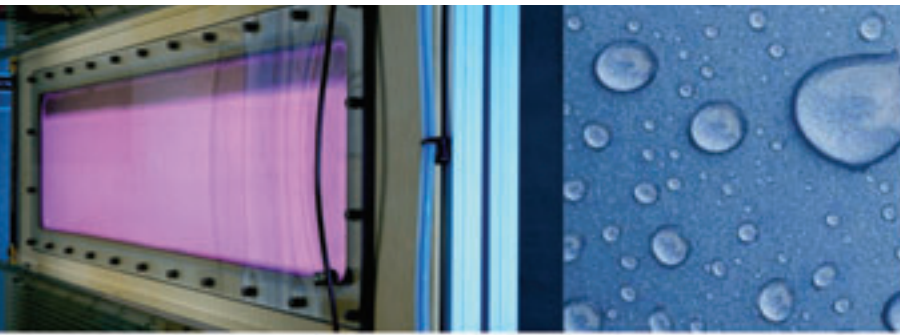
Remember the days of pounding on a glass bottle, waiting for your ketchup to come out? Eventually, it did... sometimes in a thick splat that went everywhere unintended, and sometimes in a pale, watery stream that flowed directly onto your food.

Those days are over, thanks to a patented valve and cap made by a leading global manufacturer of dispensing closures. The innovative valve, made from liquid silicone rubber supplied by Dow Corning, is literally turning food packaging on its head – and making life a little easier for consumers.

"The tight-fitting and durable silicone valve allows bottles of ketchup, salad dressing, and other products to be stored cap-down, which means that I won't have to shake my ketchup bottle anymore!" said Karola Hahn, account manager. "And the no-drip, stay-clean caps make it a snap to dispense products right where they are needed."

This is just one example of how Dow Corning innovation is touching lives every day, in ways and places that you may not have considered... even at your kitchen table!





AV07626

AV07628

A plasma is a gas that is ionized through an energy source such as radio frequency power. Plasmas are at the heart of the revolutionary new surface engineering technology from Dow Corning Plasma Solutions.

Plasma – For Sustainable Surface Engineering

Surface modification is used to make fabrics stain-resistant, prevent fouling and corrosion of structural materials, provide adhesion promotion for electronic components, and much more. Now, Dow Corning Plasma Solutions, an Ireland-based research and development center, is working to make surface modification a more environmentally responsible, energy efficient and cost effective process – with a revolutionary plasma-based technology.

“Our patented process allows for custom-design of surface characteristics – without wasting water or energy resources like traditional processing methods,” said Lesley-Ann O’Hare, development scientist at Dow Corning Plasma Solutions. “Now in the pilot stage, this innovation has the potential to eliminate water use, cut consumption of raw materials and reduce waste for the good of the environment.”

The new process may also help to increase energy efficiency for customers, bringing substantial cost savings by eliminating traditional drying operations and their associated energy costs. And, it may lead to enhanced productivity, through fewer process steps and less chemical handling.

These combined environmental and economic benefits make Dow Corning’s innovative plasma-based processing technology a “best of both worlds” solution for today’s – and tomorrow’s – surface engineering challenges.



Berlaymont – Built for Sustainability

The Berlaymont building in Brussels, Belgium, was recently reopened after nearly 10 years of renovation. The restoration efforts focused on retaining the Berlaymont’s original structure while meeting challenging criteria for energy conservation, materials durability, ease of maintenance and natural light penetration.

Throughout the project, Dow Corning provided materials and solutions that enabled high-tech, sustainable construction.

State-of-the-art silicone technologies were used in the internal and external water collection systems and the new, highly innovative glass façade. The façade features louvers that automatically move in response to changes in sun radiation, temperature, wind and shadow. Built around the existing structure, the façade provides insulation to maintain building warmth during the winter, protect against heat gain in the summer, and reduce noise levels within the building – benefits that will improve energy efficiency and the quality of life for building occupants.

“In addition to meeting traditional safety, design and functional specifications, Dow Corning is also working to meet the growing industry demand for sustainable construction. This project is an excellent example of how we are doing that,” said Bob Hansen, global industry director for Construction.





One hat fits us all... Regardless of our job descriptions, each Dow Corning person has a sustainability role. The three-in-one "hat" of sustainability covers all of our daily business decisions and actions, as guided by our Sustainability value:

We will support the principles of sustainability through our business strategies, processes, products and solutions. We will act responsibly to create economic growth and value, improve the quality of life and our environmental performance.

Though we will no doubt continue to face challenges in the successful global application of this value, we will press on. As we explore the many yet-unknown silicon applications and apply them to meet customer needs, we will work to leave a better, safer and cleaner world for generations to come. We will strive toward sustainability in all that we do, together.

2004 Dow Corning Sustainability Summary Report

Preparing this report is a valuable opportunity for Dow Corning to assess, improve and share our economic, our environmental and our social progress and performance. Wherever possible, information and data were included up to the time of report preparation (December 2004). Data in this report may change, however, due to updated information received after publication.

You can find an electronic version of this report, and comprehensive information regarding many aspects of Dow Corning's business, on our corporate website, www.dowcorning.com.

To continue to improve our communications, we need your feedback. Please share your opinions, comments and concerns with us through the following means:

Write to...

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