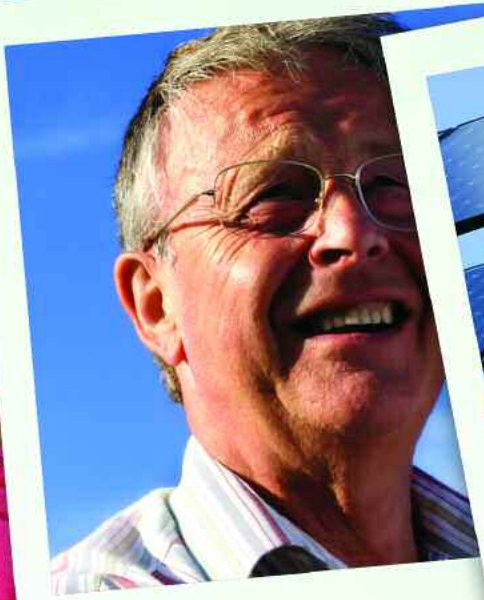


Productivity Increases

Cost Reducers

Efficiency Experts

Growth Promoters



Productivity Increases

Dow Corning

Sustainability

2005 SUMMARY REPORT

Efficiency Experts

Growth Promoters

Need Fulfillers

Possibility Expanders

Dream Realizers

Community Investors

Energy Savers

Waste Reducers

Product Stewards

Reforestation Partners

Productivity Increases

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When I picture Dow Corning in the future,

our commitment to a better world remains clearly in focus.

As we plan for the innovations and solutions of tomorrow, I picture sustainability defining the way we work and the way we live. Building on today's solid accomplishments, I envision:

- **Employees volunteering and serving society in ever more creative and meaningful ways**
- **Sustainability at the core of the equation when weighing business opportunities, with a priority on those that are making a difference in the quality of people's lives around the world**
- **Ultimately, reaching everyone, everywhere with the benefits of silicon**

I picture Dow Corning minimizing our dependency on non-renewable sources of energy, through energy efficiencies and using the power of the sun and the wind. More than that, I see Dow Corning as an innovation leader in materials and services for alternative energy technology, including solar, fuel cells and hybrid vehicles. And, in true sustainability fashion, we will bring these advancements to all our global neighbors.

This exciting picture of the future requires planning, hard work and commitment – one sustainable success at a time.

This Sustainability Report features snapshots of Dow Corning's successes on our path to fulfilling our social, environmental and economic responsibilities as a good corporate citizen. You will see snapshots of our employees volunteering and contributing to society; corporate investments that deliver the benefits of silicon to new geographies; innovative products developed to improve life around the globe; and outreach to schools and communities.

As we take time to look back, we have much to celebrate from 2005. But, more than looking back, we continue to work toward a better future – a bright, clean, green portrait of sustainability.

Stephanie A. Burns,
Chairman, President and CEO

V I S I O N

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

V A L U E S

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.

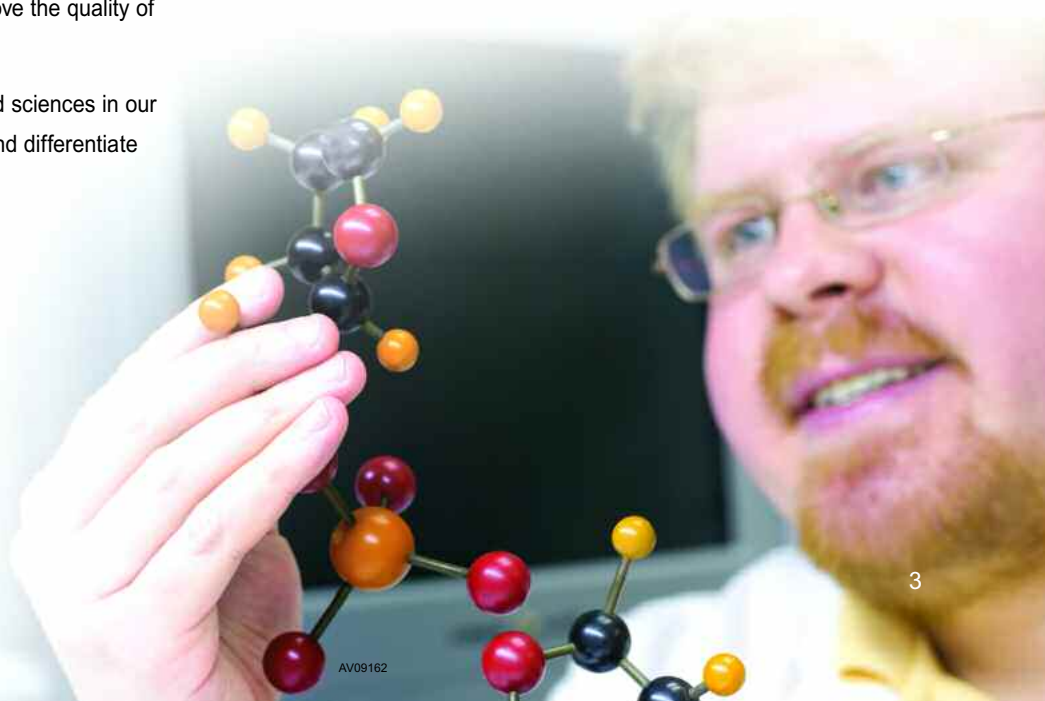
Quality: Our constant goal of quality performance is based on understanding and meeting our customers' needs exactly.

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.

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Product Saver



Picture the



At Dow Corning, we see ourselves as a corporate citizen, but even more as a neighbor. The people in our company continually strive to make a difference in the communities where we work, live and do business. Our employees are our greatest asset – our most important resource.

The Strength of Passion

Patricia Moore is a chemist at Dow Corning and now co-author of the children's book *You Can Be a Chemist*. She is one of the many Dow Corning people who are passionate about volunteering and investing in education.

When she joined Dow Corning 28 years ago, Patricia was the only female chemist working in a group of 35 engineers and chemists. But her interest in science began well before that. As a child, Patricia wanted to know why metal rusts, how glue works and why plants grow faster in certain soils. When she fell in love with chemistry, she never looked back.

Now Patricia's excitement for science, math and technology is contagious. She shares her excitement by meeting with elementary, middle and high school children – or judging local science and engineering fairs. And like many other Dow Corning scientists, she knows she can be an important role model – showing students real-life examples of people with successful, fulfilling careers in science.

"I want to inspire boys and girls," she said. "I want to reinforce that they can be anything they want to be and get them excited about the world around them. Chemistry is in everything you touch – from the time you get up in the morning, until the time you go to bed at night. It's fascinating."

“At Dow Corning, we understand that a good idea, with the right vision, passion and commitment, has the potential to change the world.”

Derek O’Malley-Keyes, vice president and chief Human Resources officer



Difference

The Power of Balance

Dow Corning believes in the power of balance. We work hard to help employees strike a balance – between work, family, volunteering and hobbies – that is fulfilling for each individual.

Working Mother Recognizes Dow Corning

Working Mother recently ranked Dow Corning one of its 2005 “100 Best Companies,” based on criteria around childcare, flexibility, women’s career advancement and other aspects of work/life balance.

Dow Corning successes include: the promotion of women (27% of our workforce and nearly half of the executive team are female); its Women’s Network; the Working Parents Support Network; and the availability of compressed work weeks, job sharing and part-time work schedules.

“We know that everybody wins – our talented employees, our company and our customers – when we create a supportive and flexible culture,” said Derek O’Malley-Keyes, vice president and chief Human Resources officer.

Wiesbaden Wins Family Award

Dow Corning GmbH Wiesbaden was awarded “Top 10” status for medium-sized companies in Germany’s “Family: Factor for Success” competition. Initiated by the Federal Ministry for Family Affairs, Senior Citizens, Women, and Youth, the competition recognizes employers that foster balance between job-related requirements and employees’ family commitments.

With 366 companies taking part, the jury looked for successful corporate work/life programs, such as flexible working arrangements, part-time employment, and child and elder care support.

“This is a great confirmation that we are on the right track, and we are highly motivated to keep up the good work,” said Klaus Hoffmann, managing director, Dow Corning GmbH.

MILESTONE

Dow Corning’s Carrollton site received its fifth Governor’s Safety and Health Award from the Kentucky Department of Labor. This award recognized one million hours worked without a lost-time injury. The five awards, in total, represent more than eight million hours worked without a lost-time injury!



AV09185



Sensory Integration room in Brazil.

The Reach of Volunteers

Offering business expertise... artistic talent... and handiwork, Dow Corning volunteers are active and plentiful, contributing to the communities and world around us.

Donating Blood

Dow Corning is one of only a few U.S. companies to have a full-time blood donation center on company property. In 2005, the center, located at the Midland site, celebrated a decade of service.

Dozens of Dow Corning retirees and family members volunteer their time and services to assist the staff and work in the after-care area. Nearly 100,000 patients have been helped by the volunteer blood donations collected by the center since it opened.

Sharing Smiles

Whether providing entertainment or financial support, Dow Corning Brazil and its employees use their resources and talents to bring smiles to hundreds of children with disabilities.

The *Destoando em Coro* is a choir of Dow Corning volunteers that performs for local communities and organizations, including the Campinas Association for Disabled Children (CADC). During the Association's Children's Day celebration, the choir performed for the children, their families and the local community. The celebration helps the patients interact with others and build relationships.

Dow Corning Brazil also supports the "Sensory Integration" program at the CADC. This program, which works to develop the children's ability to process sensory information in the central nervous system, helps them better interact with others, discover the world around them and bring lots of smiles to young faces.

MILESTONE

Dow Corning received a plaque in recognition of the company's continuing support of the Midland Voluntary Action Center, one of the Midland County United Way agencies.

Lending Leaders

Dow Corning really is committed to its brand promise – *We help you invent the future™*. And, Laura Asiala's role on the Athena PowerLink Advisory Panel is a great example of that commitment. The panel links small businesses, owned by women, with the additional resources they need to grow.

"It was so gratifying to use my marketing, branding and communications skills to help a woman move her small business to the next level," Laura said. "After 22 years of working in large corporations, I was privileged to deliver resources and expertise to someone who would otherwise not have had access to them."

The Rewards of Sharing

Making communities stronger is not simple – sometimes it takes money, sometimes it requires putting the right resources in the right hands, or offering our expertise and talent. No matter what the need, Dow Corning is working to make things better – for our people, our neighboring communities and the world.

Providing Care

During the United Way Day of Caring in September 2005, almost 60 Dow Corning employees, family members and friends teamed up with hundreds of other people across Midland County to help organizations like the Head Start Program, the women's Shelterhouse and the Open Door men's shelter; and individuals who needed assistance with household and lawn care chores.

AV09171



Building Homes

Building a new home for a low-income working family of five started when employee Kevin Nesbit, from Dow Corning's Joint-Venture Hemlock Semiconductor Corporation (HSC), followed up on his interest in Habitat for Humanity.

Seeking volunteers from his workplace, the response was immediate and overwhelming. More than 80 hard-working retirees, employees and their families turned an empty lot into a nicely landscaped, three-bedroom home in just 13 days.

Sharing Hope

New computers, new independence, new hope. That's what Dow Corning Korea provided with its donation of laptop and desktop computers to the Heo-won Welfare Center in Cheng-ju, South Korea. The center helps more than 3,000 disabled people, teaching them computer skills to help them gain or regain valuable skills.

Korea is one of the most digitalized countries in the world; computing skills help disabled individuals be independent, active members of society.

Computer teachers, mainly volunteers, train those who are able to come to the facility. The laptop computers are used by "visiting teachers," who travel to the homes of those who cannot make it to the center.

MILESTONE

The Greensboro site celebrated 10 years as a Carolina Star site, an award sponsored by the North Carolina Department of Labor for companies demonstrating excellence in safety and health. The site also achieved 25 years and nearly 7.5 million hours without a lost-time injury, evidence of the safe practices that have earned the site's Star status.

“Investing in a child’s education is one of the most important things we can do. Education is fundamental to a community’s vitality and future growth.”

Marie Eckstein, vice president, general manager of Advanced Technologies and Ventures and president of Dow Corning Foundation



Marie Eckstein pictured here with two of her children.



Picture t

Dow Corning actively supports science and math education in a variety of ways. Whether it's financing reconstruction of schools destroyed by the tsunami in 2004, creating classroom extension programs to make science and math more appealing, volunteering at local schools, supporting scholarships or mentoring students, Dow Corning is there, and so are our employees.

Science Class

For the second year, more than 30 sixth-grade students from Manseung Elementary School, located near the Dow Corning Jincheon site in Korea, enjoyed making silicone and learning about science. One teacher commented, “It was a great chance for students to experience science first hand.”

AV08614

Children's creative learning environment supported by Room to Read, in Sri Lanka.



he Learning

Room to Read

Reestablishing a sense of normalcy is almost impossible after the devastation caused by a natural disaster like the tsunami of December 2004. The Dow Corning Foundation partnered with Room to Read (a global organization that works with local communities to build lasting education programs and facilities) to help construct 42 new schools in Sri Lanka, a country hard hit by the disaster. The new facilities helped rebuild the educational infrastructure of Sri Lanka, getting children back in school and reestablishing a sense of normal, everyday life for families.

Scholarship Support

In support of the American Chemical Society (ACS) Scholars Program, Dow Corning Foundation is easing part of the financial burden for a few outstanding minority students who plan to major in chemistry, chemical engineering, biochemistry, chemical technology or a related

degree program. The Foundation is supporting students with scholarship assistance for three years.

The ACS recognized the Foundation for its support of the program. In addition to financial support, Dow Corning will have the opportunity to develop relationships with these students through mentoring and internships.

MILESTONE

The DCT Fukui site in Japan recently received the Commissioner of the Fire and Disaster Management Agency Award for its excellent safe handling of hazardous materials. The agency annually recognizes sites with excellent safety records, selecting from thousands of public and commercial companies.

Most Valued Partner Award

Helping students and having a positive influence in their lives is very rewarding for many employees at Dow Corning's Barry site. Volunteers from the site receive great personal satisfaction for their involvement in a variety of school activities including the Math Mentor program and special science classes. The Barry site won the Most Valued Partner Award from the Careers Wales organization for services supporting education in 2004-2005.

"This is a clear example of how our individual efforts really make a difference in the community," said Jonathan Coldman, Community Relations coordinator at the site.



“When I picture the future, I see clearer skies, purer water and a higher quality of life for everyone. At Dow Corning, our superior technology, innovative solutions and creative people are working to make that happen!”

Chris Bowyer, executive vice president

Picture the Future

Dow Corning is committed to applying our collective knowledge and leading-edge technology to achieve a sustainable future, the world over. To be responsible environmental citizens, we need to plan for the future – by creating better processes that use fewer raw materials and yield less waste, by creating more environmentally friendly products, and by implementing truly sustainable solutions.

Clean Corporate Citizen

Since 2004, Dow Corning’s Midland site has been designated as a Clean Corporate Citizen (C3) by the Michigan Department of Environmental Quality (DEQ). In 2005, the DEQ added to this honor, naming the site one of four Gold Award winners of the Neighborhood Environmental Partners Program.

The much-coveted C3 designation is reserved for companies that demonstrate strong environmental ethics and stewardship, adhere to an environmental management system and pollution-prevention initiatives; and report a history of environmental compliance.

The Gold Award recognizes both the site and its community partners for numerous programs and activities, including: establishing the Community Advisory Panel that promotes open discussion between employees and members of the community, a cooperative training program with emergency responders that improves communication with local officials, and a recycling program that assists physically and mentally challenged members of the community by providing them with job skills and on-the-job training.

MILESTONE
Dow Corning implemented a global Operational Excellence Management System, which was a key step in the company’s Responsible Care® and global ISO 14001 certification.

MILESTONE

The Barry site received a certificate from the Wales Environment Agency for its sustained environmental best practices. The company was recognized for very strong environmental management commitment.

Good Neighbors

Dow Corning Korea's Jincheon plant received an important award as a valued member of the local community. The site was recognized by the Jincheon Kun Officer for its environmental practices and participation in the community. Jincheon employees share information about the significance of protecting the environment, and help with river cleanup and waste collection activities. In addition, the plant has passed government audits of environmental practices.

Area residents praise the site's dedication to prevention of pollution and waste, and the employees' active involvement, which underscores the importance of environmental stewardship.

Collaborating for Everyone's Benefit

In 2005, Dow Corning GmbH, located in Wiesbaden, Germany, began participating in the city's Oecoprofit program, which encourages active exchange of sustainability best practices with other local companies. These collaboration efforts help to reduce waste, protect the environment, save energy, and promote other elements of sustainable production – benefiting the companies involved and the community.

Dow Corning GmbH also participated in a voluntary governmental audit of the plant in order to identify potential areas for improved energy efficiency.

Field Flowers... and Friends

With the help of the Kentucky Department of Fish and Wildlife Resources, the Carrollton site has turned part of its property into a wildlife haven for smaller animals and birds. A team replaced vegetation that is not amenable to wildlife with native warm-season grasses and wildflowers, providing both a habitat and food in the form of dropped seeds. The colorful wildflowers – including purple coneflower, partridge pea and black-eyed Susan – also provide seeds that help support songbirds through the winter months.

Recovering Value

At Dow Corning, we have long supported conservation projects in our communities and at our locations around the globe. The same is true for recycling programs – both on-site and off. While we continuously look for recycle opportunities, we are especially focused on finding ways to eliminate waste altogether.

For a number of years, Dow Corning silicone rubber has served as a key material in the manufacture of automotive airbags, with outstanding performance results. The silicone is used to coat a high-quality nylon fabric; the coated material is then cut to form the airbags. However, this cutting process generates a significant amount of waste material.

The nylon portion of the waste is valuable and sought in the recycle market, but the adhered silicone rubber was almost impossible to separate from the nylon. With Dow Corning's technical assistance, a recycling partner has developed a method to recycle the combined nylon and silicone into a lower-grade nylon product for other niche applications.

MILESTONE

Dow Corning was named the 2005 Specialty Chemical Company of the Year by Frost & Sullivan, a global market consultancy and analysis firm. This prestigious award is based on many factors including business development and innovation.

Picture the Future

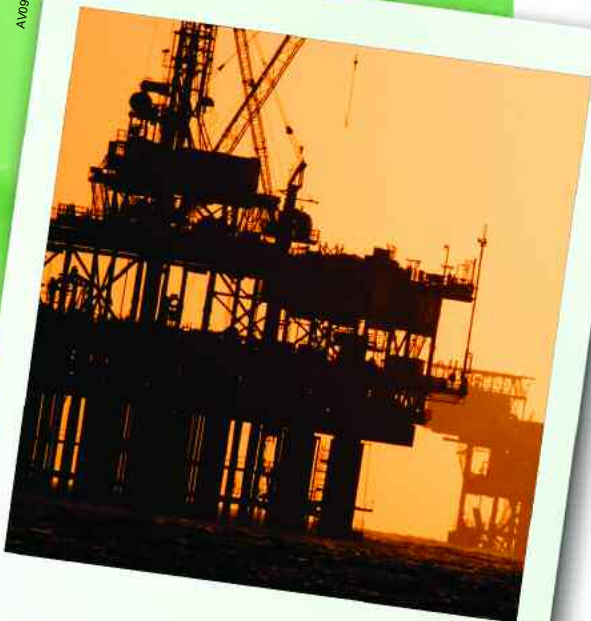
Product and Process Improvements

Dow Corning knows that the products we manufacture – and the way we manufacture them – are making a very real difference. Our leading-edge science helps save lives. Our commitment to sustainability protects our environment for future generations. Some of our products simply make life's chores a little easier. But, it's our people – imagining the possibilities and bringing them to reality – who make it all happen.

Safer Processes on the Seas

Off the coast of Brazil, sea platforms are at work extracting oil from far below the ocean floor. The oil extraction process generates foam, which must be controlled for safe operation and efficiency. Dow Corning antifoams are a popular solution.

In the past, operators needed to disperse the silicone fluid into a flammable solvent, introducing risk for the operators handling the solvent in unpredictable offshore conditions. A new ready-to-use antifoam formulation, delivered at the right concentration, eliminates use of the flammable solvent and enhances safety for operators involved in the offshore oil production. It also benefits the environment by reducing product waste and disposal.



AV09172

AV09166



Weaving Sustainability and Growth into the Textile Market

The textile market is an area of growth and opportunity for Dow Corning and our customers. In 2005, we worked closely with customers in Asia – sharing both product knowledge and our global marketing expertise to help our customers succeed.

For years, a formulator in Korea has used a Dow Corning silicone for textile treatments – including anti-slip printing on socks and decorative fabric printing – and enjoyed a successful business. Dow Corning recognized an opportunity for this customer to expand business into China, which would provide an environmentally friendly alternative to textile printing methods used in that region.

Dow Corning shared business and technology expertise to help with this expansion. Our customer is now conducting business in China and has established a Chinese subsidiary company to target further business expansion – spreading this sustainable solution even further around the globe.

MILESTONE

Auburn, Michigan, and Wiesbaden, Germany, received ISO TS 16949 certification. This certification pertains specifically to automotive industry quality management requirements.

Making a Good Product Even Better

Clothing feels softer to the touch and hair becomes less tangled and is easier to comb thanks to a Dow Corning formulation that has been used in personal care products for years. While the formulation has been popular, there was a fair amount of waste generated in the manufacturing process. Experts at the Dow Corning plant in Barry, Wales, went to work and came up with a solution that results in a significant reduction in hazardous waste, contains fewer impurities and is environmentally friendly.

“Now, much of our new product development is based on this novel technology,” said Dr. Iain MacKinnon, Organofunctionals Development group leader. “Everyone benefits from this innovation. It’s safer for the environment and safer for our plant operators. We are able to offer our customers a product that helps them meet their own sustainability goals.”

Environmental Greetings

Many families own inkjet printers and use them to create colorful greeting cards throughout the year. A leading printer manufacturer was committed to boosting the environmental friendliness of its inkjet printers, which are globally produced and sold.

Partnering with the manufacturer, Dow Corning Toray Company worked to reformulate a MOLYKOTE® specialty lubricant used in the printers. The new formulation contains zero ozone-depleting chemicals (thus supporting the manufacturer’s environmental goal) and makes greeting card production friendly for the environment.



AV09179

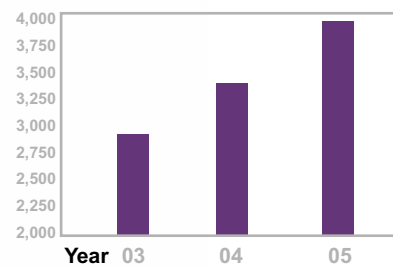
Picture the Progress

“Contributions to sustainability can come in many different forms. One of the key aspects of sustainability is profitable growth. By delivering that, Dow Corning employees have made a significant contribution to sustainability.”

Don Sheets, chief financial officer

The year 2005 was extremely successful for Dow Corning. Innovation was taken to a new level and applied to all areas of business, in addition to the science and technology of silicon. Dow Corning’s Sustainability Principles are at the core of the equation when weighing business opportunities.

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



Key Financial Data In millions of U.S. dollars

Year ended December 31	2003	2004	2005
Net Sales	2,872.5	3,372.6	3,878.7
Net Income	176.6	238.3	506.5



Employee Health & Safety Goals Reflect Long-term Commitment to Sustainability

In 2005, the Environment, Health & Safety Board at Dow Corning rolled out five-year performance improvement goals focusing on:

- Employee and process safety: aggressive reduction in injuries, occupational illnesses and process incidents
- Energy efficiency: reduce average greenhouse gas (GHG) emissions through energy efficiency improvements, renewable energy and sequestration efforts
- Value recovery: drive toward zero waste and emissions through reduction, conversion, recycle, reuse and recovery
- Environmental compatibility: reducing the environmental impact of our processes, products and technology

To achieve these five-year goals, Dow Corning is focusing on our everyday practices and how they impact sustainability. We’re looking for opportunities that meet customer needs and deliver on our five-year goals.

“Our strategy demonstrates our commitment to sustainability by stressing efficient use of our resources. And, that makes good business sense, too. When we get these goals right, we can continue growing our business and contributing to a better tomorrow,” said Laura Perkins, director of Environment, Health & Safety. “Everybody wins!”

MILESTONE

Dow Corning's Midland plant received an American Chemistry Council (ACC) Energy Efficiency award. The Carrollton Plant received a similar ACC award in 2004.

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

In 2004, no landfill disposal of toxic release inventory materials was made. Dow Corning has reduced emissions to the air by 25% and emissions to the water by 49%, when compared to the 1997 baseline. Although an increase has been noticed in these numbers from 2002 to 2004, attributed mainly to the company's continuing increases in production, emissions levels remain within the limits allowed by our operating permits.

U.S. Toxic Release Inventory (kg)									2004 Reduction vs. 1997
	1997	1998	1999	2000	2001	2002	2003	2004	
Air	223,900	197,850	167,050	127,700	103,500	110,493	115,112	168,974	25%
Water	910	1,010	370	655	625	73	198	468	49%
Landfill	7,740	6,220	4,950	2,060	2,920	0	0	0	100%
Total Releases	232,550	205,080	172,370	130,415	107,045	110,566	115,310	169,442	27%

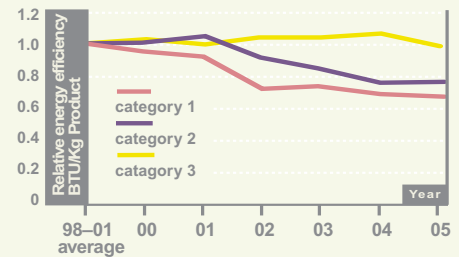
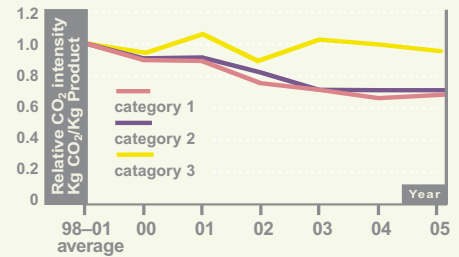
Toxic Release Inventory data reports previous year's activities.

Energy Efficiency

This graph shows the carbon dioxide equivalent released per kilogram (kg) of product produced for three main product categories, which group products according to the energy required for their production. Results are reported relative to a baseline average for years 1998 through 2001. (This is the baseline mandated by the Chicago Climate Exchange. It is being used by Dow Corning as a measure for energy and CO₂ reduction targets.)

The graph shows that all three product categories have made an improvement relative to the baseline, with two showing a greater than 30% improvement in 2005.

This graph indicates the energy used per kilogram (kg) of product produced for these three product categories, relative to the baseline average (see above for baseline information). Two of the categories have made significant improvements relative to the baseline, with one showing a greater than 30% improvement, and the other a greater than 20% improvement in 2005. These successful results reflect Dow Corning's continued focus on energy efficiency in order to reduce our environmental impact and manage rising energy costs.



Employee Health & Safety

Employee Health & Safety at Dow Corning is focused on preventing situations that cause injury or illness. Although a small increase was reported for 2005, Dow Corning is sustaining the significant improvements accomplished in 2004 for both measures. Our Safety Brilliance program, launched in 2003, brought a renewed global emphasis to safety, and continues to be a key element in our overall safety improvement process.

	2000	2001	2002	2003	2004	2005
OIR*	2.53	2.56	2.41	2.55	1.70	1.96
LTIR**	0.27	0.31	0.42	0.28	0.15	0.16

* OIR (Occupational Injury and Illness Rate) is a measurement that represents all injuries and illnesses, per 100 employees, that occur on the job and require more than first-aid treatment.

** LTIR (Lost Time Injury and Illness Rate) is a measurement that 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.

Dow Corning uses US OSHA reporting rules as the basis worldwide for classifying injuries and illnesses as recordable. Dow Corning's Safety Brilliance program requires that all recordable cases are investigated to determine the underlying root cause and then appropriate actions are taken to prevent similar incidents.

Process Safety

Dow Corning is committed to the safety of our employees and communities. We build process safety into our operations with extensive reviews and audits of both new and existing facilities. If an incident does occur, it is carefully investigated for identification of the root cause, and corrective action is taken to avoid recurrence. Improvements and solutions are shared, so sites globally can also benefit from the learnings.

While the number of spills and releases recorded globally remained at the 2004 level, we did see an increase in the number of fires. The root causes of these incidents are being addressed to avoid recurrence. Dow Corning continues to work to improve the safety of its processes, people and communities.

	2003	2004	2005
Fires and Explosions	48	66	82
Spills and Releases	188	183	187

Results from 2003 to 2005 represent new reporting guidelines at the corporate level, focusing on larger incidents and those involving hazardous materials. Sites continue to track smaller incidents, investigate these incidents and implement appropriate corrective actions.

Picture the Growth

“At Dow Corning, we have a vision of how we want to impact our world – including bringing new products and services to customers and markets that do not benefit from them today.”

Scott Fuson, vice president and executive director of Marketing, Sales and Customer service

Investments around the globe are helping us connect to our customers wherever they do business, and support our vision of taking the benefits of silicon to everyone, everywhere.

China Application Center Expansion

In Shanghai, China, we doubled the capacity of our Application Center to boost product development and testing capabilities. The additional laboratories and equipment rooms will support joint research with customers seeking new product applications and formulations, and provide an excellent opportunity for enterprises in the region to embrace world-class and cutting-edge technologies.

“This expansion does more than strengthen our leadership position in Asia. It allows us to collaborate with our customers, to better understand their products and markets, and to respond with new insight to the specific needs of this growth region,” said Jean-Marc Gilson, president of Dow Corning Asia.

New Application Center in Moscow

In 2005, Dow Corning opened an Application Center in Moscow, our first in the country. This new facility provides a venue to help customers in the life sciences markets (i.e., beauty, personal care, household and cleaning) explore creative solutions and ultimately deliver better products to consumers. Customers are able to run tests comparing product performance with and without the benefits of silicone.

“Dow Corning has been active in Russia for more than 30 years,” said Markus Ponleitner, general manager of Dow Corning Russia. “In recent years, customers in Russia and the Commonwealth of Independent States have been approaching us for new solutions and support. The center gives us the capability to respond more effectively to local needs, in the local language.”

New Technical Information Center in Europe

Want to know how to apply Dow Corning materials? Which materials to use for a specific application? Where to purchase materials? Our global network of Technical Information Centers is designed to answer those questions – fast! A new European Center, opened in 2005, will provide assistance in a number of local languages so that we can respond to the increased number of requests for product and technical information coming from the region.

“The new European Center, combined with the centers in Japan, China and the U.S., will enable Dow Corning to listen and react rapidly and flexibly – 24 hours a day – to our customers’ needs throughout the world,” said Bruno Sulmon, European president and vice president of Geographic Expansion. “We can channel our worldwide silicone expertise, facilitate faster growth of new markets and share the benefits of silicon with more people around the world.”



AV08977

MILESTONE

Dow Corning was accepted as a member of the China Petroleum and Chemical Industry Association – an important accomplishment for Dow Corning in this growth region.



“Innovation in today’s world extends beyond new product offerings. It is about capturing value for our customers and our company with new business models, breakthrough technologies, creative solutions and improved products and services that, when combined, transform Dow Corning from a supplier to the innovative partner of choice.”

Gregg Zank, global vice president and chief technology officer

AV09180

Picture the Power of Silicon

Making Solar Energy Real

Ever-increasing fossil fuel prices and decreasing petroleum reserves have led to a renewed focus on solar energy – the world’s most abundant and sustainable energy source. Every day, enough of the sun’s energy reaches the earth to meet the world’s electricity needs for a year. Yet, converting sunlight to electricity has not been easy. In fact, successful development of solar energy has encountered – and still encounters – many obstacles.

Today, Dow Corning is actively working with leading research universities, government agencies and top producers in the photovoltaics industry. (Photovoltaics refers to the direct conversion of light into electricity.)

“We’re collaborating to develop material solutions that will help reliably convert sunlight into electricity for use in homes and industry,” said Gaetan Borgers, program manager for the solar energy program. “We know that solar energy is an important solution to scarce energy supplies and that it results in considerable savings in carbon dioxide emissions. Silicon-based technology can

successfully address many of the challenges the solar industry is facing.”

With a significant expansion underway at Dow Corning’s joint venture, Hemlock Semiconductor Corporation, and a number of new solar energy products planned for commercialization in the near future, Dow Corning is prepared to deliver on the promise of solar energy.

Advances in Medical Equipment

Dow Corning is bringing safe and cost-effective improvements to the rapidly growing medical device industry in China. When engineers develop medical devices, they look for materials that fulfill several needs such as quality and meeting regulatory requirements, cost-effectiveness and ease-of-use in manufacturing.

To meet those needs, a silicone coating system for latex catheters was launched at a China Medical Equipment Design and Technology conference. The physical properties and biocompatibility of the silicone improve the final product and provide greater patient comfort – a key aspect of quality of life for patients in treatment.

Safer Buildings

New technology from Dow Corning helps protect the safety of public building occupants and rescue people in the event of a fire. When a fire starts, electrical cables play an important role in building safety. The choice of fire-retardant and fire-resistant sealing and insulation grants a reliable power supply to keep rescue paths lit for escape. And, vision-blocking smoke can be kept to a minimum with the right materials.

Dow Corning has specially designed a silicone rubber compound for cables that meets the highest requirements – and also has a significantly lower production cost. Use of these safety cables is expanding, resulting in a higher level of safety for people in public places like railway stations, theaters and airports.

MILESTONE

Dow Corning was included in the 2005 edition of America's Greatest Brands, a book that recognizes some of the strongest and most trusted brand icons in the United States.

Picture the Power of Innovation

Brighter Night-Time Driving

At night, drivers rely on their automobile headlamps to illuminate the path ahead. New technology is taking that one step further by helping drivers see better as they turn a corner. Adaptive front lighting systems swivel the headlamp closest to a turn to improve vision for the driver.

Gears inside the headlamps must move effortlessly to assure a smooth swivel motion. One of the world's leading manufacturers of these automotive parts, located in Japan, needed a cost-effective, time-efficient way to lubricate the multiple gear parts and optimize the production line. Dow Corning delivered a solution – a MOLYKOTE® semi-dry lubricant – that surpassed customer expectations.

Because of the safety benefits of the swivel headlamps, the United Nations Economic Commission for Europe (UN/ECN) voted in favor of adopting this system. Japan is also considering this as a new standard. And, Dow Corning technology will be helping our customers prepare for the increased demand.

Turbocharged for Fuel Efficiency

With fuel efficiency a major concern around the globe, the Western European passenger car market is increasingly dominated by the more fuel-efficient turbocharged diesel engine technology.

These diesel engines can deliver about twice the mileage as gasoline engines on the same volume of fuel, but it wouldn't be possible without specialized turbocharger hoses. *Silastic*® fluorosilicone hose liners are able to take the heat of these turbocharged systems and deliver the oil resistance they require.

The Sky's the Limit

Dow Corning silicone products are used in curtainwalls (a protective shield that is bolted to the building, forming the outermost layer) to seal the joints and provide superior protection and performance – bringing beauty, comfort and efficiency together.

Silicone sealants maintain excellent adhesion to glass, metal and natural stone, providing long-term resistance to air and water infiltration, earthquakes, acid rain, UV light, windstorms and temperature changes. Their durable joint seals are especially important with today's high energy prices.

Dow Corning was recognized for its leadership in the curtainwall industry. It was the only multinational company to receive an award from the China Building Decoration Association (CBDA) for promoting the healthy development of the industry in China.

Reliable Operations

Dow Corning reliability engineers in Europe work hard to ensure that our own plants run smoothly and predictably. They have discovered that when it comes to sustainability, even small adjustments can bring significant results. The oil-changing schedule for plant equipment is one good example.

By using our own MOLYKOTE® products and adjusting our maintenance plan, Dow Corning is reducing waste and disposal, and achieving better performance in the manufacturing environment. We have reduced carbon dioxide emissions and now use less energy to turn gears, motors and pumps. This solution is being leveraged to other plants to maximize the sustainable benefits discovered by our reliability engineers.



Sustainability Guiding Principles

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.

The stunning Petronas Towers, located in Kuala Lumpur, Malaysia, rise 452 meters above street level. Dow Corning silicone was used in the construction of the Twin Towers.



2005 Dow Corning Sustainability Summary Report

Preparing this report is a valuable opportunity for Dow Corning to assess, improve and share our economic, environmental and social progress and performance. Wherever possible, information and data were included up to the time of report preparation (December 2005). 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.

We welcome your feedback! Please share your opinions, comments and concerns with us through the following means:

Write to:

Attn: Corporate Sustainability
Dow Corning Corporation
PO Box 994
CO 1252
Midland, MI 48686-0994

Or fax to:

Attn: Corporate Sustainability
+1 (989) 496-4393

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