

“The Public Eye Awards”

Nominations form

Nominated company (name):

The DOW Chemical Company (NYSE: [DOW](#))

2030 DOW Center
Midland, MI 48674
Phone: 989-636-1000
Fax: 989-636-3518
<http://www.DOW.com>

Short description of the company:

Chairman & CEO

Chairman of the Board: William S. Stavropoulos
Chief Executive Officer: William S. Stavropoulos

Corporate Profile (DOW AR 2003)

US producer of chemicals, pesticides, plastics, adhesives and coatings.
In 2003, DOW had annual sales of approximately \$33 billion and employed approximately 46'000 people. DOW serves customers in more than 180 countries and a wide range of markets for food, transportation, health and medicine, personal and home care, building and construction, among others. DOW has 180 manufacturing sites in 37 countries and supplies more than 3'500 products (u.a. „Dursban“ insecticide, „XLA“ textiles, „Great Stuff“ insulating foam, „PelaDOW“ calcium chloride pellets, etc.).
DOW is the leading chemical producer (biggest according to DOW).

Financial Highlights (DOW AR 2003)

In millions, except as noted	2003	2002
Net Sales	\$32,632	\$27,609
Net Income (Loss) Available for Common Stockholders	1,730	(338)
Return on Stockholder's Equity	18.9%	(4.4)%
Earnings (Loss) per Share – Basic (in dollars)	1.88	(0.37)
Earnings (Loss) per Share – Diluted (in dollars)	1.87	(0.37)
Dividends Declared per Share (in dollars)	1.34	1.34

Nominated for the following award categories:

- X environment
- X human rights
- X labour rights
- O taxes
- X special prize 1: Stakeholder Management
(bad crisis management, biggest liar CEO-Stavropoulos)
- X special prize 2: Living poisoned daily
(see Bhopal 1984–2004/the 20years ongoing disaster & general performance;
c.f. www.DOW.com: „DOW - living improved daily“)
(name a award category in the style of the above)

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More than one category can be chosen, if a company has acted irresponsibly in all these areas or if it cannot be assigned to just one category. In this case the organising committee will decide the final category.

Reasons for nomination:

Under this heading there should be presented as much information as possible on the irresponsible behaviour of the nominated company – ideally covering each of the points below, including references or sources. Please use a separate page for each case example of the company. Additional supporting material such as reports or newspaper articles, and also film material, is welcomed.

DOW – LIVING POISONED DAILY

DOW, the world's largest chemicals corporation, has one of the worst environmental and social legacies of any major corporation, encompassing Agent Orange, Asbestos, Dioxin, Dursban, DDT, Napalm and Bhopal. DOW's commitment to the environment and human safety, a "part of everything we do and every business decision we make" according to its former CEO Michael Parker, is all too clear. Read about DOW's devastating legacy below and understand why DOW should be awarded as a Corporate Criminal.

General information on the case and date or time period

1. DOW und BHOPAL

Bhopal 1984-2004: the 20-years-and-counting-disaster: On December 3, 2004, is the 20th anniversary of the Bhopal disaster. In the night of December 3, 1984, the pesticide factory of Union Carbide (now DOW) in Bhopal/India exploded, releasing vast quantities of toxic gases such as methyl isocyanate. The toxic cloud drifted over the city of Bhopal, surprising more than a million unsuspecting citizens in their sleep. The gaseous mix of chemicals seared eye and lung tissue and induced heart and breathing failures. 8 000 people died within days of the explosion, but the "worst industrial disaster of all times" continues to take its toll: so far 20 000 people have died from direct or indirect effects of the disaster and over 150 000 people have had their health damaged for life. To this day the victims have not received adequate medical care nor any compensation payments.

In an out-of-court settlement in 1989, Union Carbide/DOW (thereafter DOW-Carbide) paid the state of India a lump sum for damages, left India, and withdrew from the case. Also left behind were thousands of uncompensated victims and a damaged pesticide factory that continues to contaminate the soil and ground water with toxins. The poisonous chemicals are not just found in the drinking water that Bhopalis continue to drink for lack of alternatives but in their blood and in the milk of Bhopali mothers. The International Campaign for Justice in Bhopal has declared the city a global toxic hotspot. Although officially

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charged with culpable homicide in India and wanted by Interpol as fugitives from justice, those responsible for the disaster have yet to have their day in court. Warren Anderson, the Ex-CEO of DOW-Carbide lives in the US and, despite an extradition request from India, moves about the country freely. DOW Chemicals, the world's largest chemical corporation after acquiring Union Carbide in 2001 – and thus its legal successor –, declines all responsibility.

Bhopal has become a symbol of corporate irresponsibility and DOW the epitome of the corporate criminal.

Yet, after 19 years of inaction there are some good news in the 20th year of the disaster: the Supreme Court of India ruled that the survivors of the Bhopal disaster must be given access to clean drinking water. The Indian government has only recently acknowledged the extent of the toxic damage at the decommissioned DOW-Carbide plant and has signaled to the US-courts in New York to pursue the Bhopal-case against DOW in the US. By order of the court the remainder of the settlement paid by Union Carbide to the Indian Government and frozen there since 1989 must be paid out directly to the victims and may not be used to clean up the abandoned factory site, as DOW had intended. The pressure on DOW continues to grow. But for the people in Bhopal little has changed so far and they don't trust this partial victory. Greenpeace and the Bhopal survivors must not rest until DOW has settled all its debts. Bhopal must and will become a precedent for people elsewhere who are also forced to live with the effects of Bhopal-type corporate crimes.

Characteristics of the company's irresponsible behaviour

Unscrupulous greed:

Before the gas disaster DOW-Carbide used unproven technologies to save money on the pesticide production at its Indian subsidiary. By lowering capital costs (e.g. on safety standards and personnel training) DOW-Carbide managed to acquire a majority of the company's stock.

Criminal irresponsibility:

The explosion occurred because several safety stages were broken and/or shut-off (cooling equipment of storage tanks, pressure valves, alarms, etc.). DOW claimed that the loss event was caused by an act of sabotage rather than through criminal negligence and, claiming protection of trade secrets, declined to disclose the formula of the escaped gas, which would have been vital for the treatment of the victims.

Using every last loophole in the book:

By means of an unjust, out-of-court settlement with the Indian government and the subsequent sale of its Indian subsidiary, DOW-Carbide has eluded the reach of Indian justice to this day. By merging with DOW Chemical in 2001, Union Carbide sought to ditch its tainted name and fully cover its tracks in Bhopal. While Union Carbide still exists as a legal entity, it is no longer a significantly active operation and is wholly owned by DOW chemical. Through the acquisition of Union Carbide DOW became, by its own reckoning, the

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world's largest chemical corporation. But DOW disputes all legal connections to the Bhopal disaster.

Bad crisis management:

For DOW-CEO William S. Stavropoulos the out-of-court settlement with the Indian government and the compensation paid is fair, equitable and proportionate – therefore, the case closed ("[...] From our viewpoint, all responsibility from the tragedy [...] have been resolved.", DOW AGM 05.13.2004). That is wrong on several counts, since civil and criminal suits are still pending both in India and in the US. What he also failed to mention was that the damage to people's health, property, and the environment, resulting from years of Union Carbide pollution, was not part of the settlement with the Indian government. These so-called secondary damages are the object of the current litigation against DOW in the US and in India.

Asked if the compensation paid through the out-of-court settlement was sufficient, DOW even said: "\$500 [in compensation] is plenty good for an Indian." (Statement by DOW Chemical's PR official Ms. Kathy Hunt on www.bhopal.net). Compare that to the 10 million dollars that DOW paid to a child in the US in an out-of-court settlement for health damage resulting from exposure to DOW's Dursban pesticide.

The head of DOW-Europe, Luciano Respini, made Bhopal survivor (and later winner of the Goldman Award/ "Environmental Nobel Prize") Champadevi Shukla, who had traveled all the way from India for the express purpose of talking to him, wait outside the door for four days in freezing weather, until he finally deigned to have brief and frosty conversation with her (Horgen/Switzerland, 18.-22. October, 2002).

DOW prefers determent over a stakeholder dialog: after a peaceful protest of 200 Bhopal women on the 18th anniversary of the Bhopal disaster, DOW India had the leading activists prosecuted and sued them for "loss of work" damages amounting to more than 10 yearly salaries. For the Bhopal widows, many of whom have lost family members in 1984, this is pure mockery. They are asking: when will DOW pay for our 20 000-fold "loss of life"?

Consequences

In the 20th year after the Bhopal disaster the consequences are still devastating: more than 20 000 dead, 150 000 chronically ill, unfulfilled damage claims worth billions dollars, a legacy of poisoned soil and poisoned ground and drinking water, contaminated blood and polluted mother's milk. The third generation of disaster victims is now growing up with health problems ranging from dwarfism and other pre-natal physical deformities, especially of the respiratory and gastrointestinal tract; various eye ailments, chronic loss of appetite and headaches. Lung cancer and tuberculosis rates are significantly higher among people exposed to gas and Bhopal drinking water. Women suffer from massive menstrual irregularities and infertility. Many Bhopal victims are socially stigmatized and face great difficulties finding employment and/or marriage partners.

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Demands made to the company

DOW! Clean up Bhopal NOW!

The International Campaign for Justice in Bhopal demands that DOW Chemical:

- assume liability for the continuing and long-term health impacts of the disaster, including release of unpublished medical reports on the toxicity of leaked gases
- assume liability for the loss of livelihood caused as a result of the disaster by providing income opportunities to victims and support to those rendered destitute
- remove the contamination of the ground water and soil in and around the factory
- ensure that prime accused Warren Anderson, former chairman of Union Carbide, is brought to justice in the Bhopal criminal court, along with authorised representatives of the company

Sources / references

- www.bhopal.net
- www.greenpeace.org
- www.innovestgroup.com
- http://info.greenpeace.ch/de/chemie_alt/archiv_chemie/copy3_of_index
- www.DOW.com
- <http://mad-DOW-disease.com/>
- Trespass Against Us: Dow Chemical and the Toxic Century (Environmental Health Series 2) (by Jack Doyle, Released: 30 August 2004, ISBN: 1567512682, Paperback)

OTHER DOW-SCANDALES

Sources / references

- Trespass Against Us: Dow Chemical and the Toxic Century (Environmental Health Series 2) (by Jack Doyle, Released: 30 August 2004, ISBN: 1567512682, Paperback)
- DOW Chemical - Life: Poisoned Daily (FS GPI 13.5.02)
- The DOW Chemical Company (FS GPI 11.11.02)
- DOW Chemical's Liabilities in Bhopal (GPI 13.5.02)
- DOW Chemical owes investors better information regarding Bhopal (FS GPI 13.5.04)
- DOW: Living poisoned daily (FS GPUSA 12.3.01)
- Corporate Crimes-Report with Dow-Crimes and Bhopal-Principles(GPI 2002)

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http://info.greenpeace.ch/de/chemie_alt/archiv_chemie/copy3_of_index

- Dow Chemical – Risk for Investors (Innovest 2004)
www.innovestgroup.com/pdfs/2004-04_DOW_Report.pdf
- Dirty Dow (Students for Bhopal, 2004)
<http://www.studentsforbhopal.org/DirtyDOW.htm>

2. DOW and ORGANOCHLORINE CHEMICALS

In wide range, DOW's business is based on the organochlorine chemistry. Yet, virtually all organochlorines that have been studied exhibit at least one of a range of serious toxic effects, such as endocrine dysfunction, developmental impairment, birth defects, reproductive dysfunction and infertility, immunosuppression and cancer, often at extremely low doses, and many chlorinated organic compounds are recognized as significant workplace hazards. In particular, many of the DOW's products or pollutants associated with their manufacture, use and disposal are "persistent bioaccumulating toxin" (PBTs). And DOW's business strategy appears to be fully committed to the further development of organochlorine chemicals and other chemicals with attendant PBT risk profile.

Therefore, DOW's organochlorine chemical production poses an overall market risk: DOW could be pressed by markets and regulations to reduce its production and marketing focus on organochlorine chemicals as well as many other chemicals in its product portfolio. Mounting scientific findings regarding organochlorine toxins, dioxins & furans in particular, could result in more momentum for widespread phase-out of the company's products such as vinyl chloride monomers (used in PVC plastics), as well as many of the company's pesticides. In addition, plasticizers such as phthalates have phase-out risk as well which could affect DOW's plastic-related business. As the practice of testing of human blood and other tissues for the presence of these substances grows, the result may be material levels of tort liability should the company be linked to negative health impacts caused by PBTs.

3. DOW und DIOXIN

DOW is the World's Largest Dioxin source: As the world's largest producer of chlorine and chlorinated products, an essential component of the cancer-causing chemical dioxin, DOW is arguably the single largest fundamental source of cancer causing dioxins on the planet. DOW's Dioxin Machine:

- **Chlorine:** DOW is the world's largest producer of synthetic chlorine, with a capacity to produce 6.3 million metric tons of chlorine per year; nearly 14% of the world's total.
- **Polyvinyl Chloride (PVC plastic):** PVC produces dioxins throughout its lifecycle, from its manufacture to its disposal. It is arguably the source of more dioxins than in any other single material. DOW is the world's largest producer of feedstocks that are used to produce PVC plastic (chlorine, ethylene dichloride and vinyl chloride monomer). Globally, DOW's total vinyl

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chloride monomer (VCM) production capacity is approximately 2.5 million metric tons per year.

- **Pesticides:** DOW is one of the world's largest producers of chlorinated pesticides, which constitutes another major source of dioxins to the environment. Many of DOW's pesticides, including Agent Orange, Dibromochloropropane (DBCP), and most recently Dursban, have been found responsible for causing cancers, neurological damage and infertility in humans, and have been banned or severely restricted in the US.
- **Chlorinated Solvents:** DOW is one of the world's largest producer of chlorinated solvents, which are used for cleaning by a variety of industries, ranging from automobile manufacturing to the dry cleaning industry. As with PVC plastic, chlorinated solvents produce dioxin at multiple points during their lifecycle.

4. DOW and TRICHLOROETHYLENE

DOW is one of the current major producers of trichloroethylene (TCE). New research by EPA shows that (TCE) is 40-60 times more toxic than previously thought. Based upon the toxicity factors included in the draft assessment, TCE risk standards are likely to be reduced significantly for water and air exposures. This could add billions to current cleanup costs for numerous TCE contamination sites around the country. TCE is one of the most common pollutants listed at contaminated sites.

As a result of the toxicity reassessment new exposure standards are being developed. In addition, the revised toxicity data for TCE could negatively impact DOW-Carbide's ability to defend itself against tort claims in the semiconductor industry.

5. DOW und AGENT ORANGE

DOW first began manufacturing the herbicide 2,4,5-T, a key ingredient in Agent Orange, in 1950 at Midland in the USA. As early as the mid 1950s, European manufacturers discovered the presence of a highly toxic contaminant in 2,4,5-T and identified it as dioxin; one company notified DOW in writing of the problem in 1957. DOW did nothing, until 1964, when an outbreak of chloracne – a hallmark symptom of dioxin exposure – occurred among workers in its Midland production line. Not until 6 years later – in 1970 – did DOW did report the discovery of dioxin in 2,4,5-T to the government. Throughout this period, DOW continued to make and sell contaminated Agent Orange to the U.S. armed forces for use in Vietnam. DOW became the largest of all U.S. Agent Orange contractors, selling nearly one-third of the total 12.8 million gallons supplied to the Government. This Agent Orange continued to be used in South Vietnam; millions of veterans and South Vietnamese citizens were exposed to the pesticides and its contaminants.¹

¹ DOW Brand Dioxin Report, Greenpeace International, 1995.
http://archive.greenpeace.org/~usa/reports/DOW_brand_dioxin.html

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The recent Supreme Court decision (Stephenson v. DOW Chemical et al. June 9, 2003) may open the door for Vietnam veterans not covered under a previous settlement in 1984 to pursue compensation with DOW Chemical for health risks associated with the chemical defoliant commonly known as Agent Orange. Given the number of claims and the extent of damage alleged to be caused by Agent Orange, the proceedings could result in sizable ongoing liability. Numerous foreign veterans groups and Vietnamese citizens affected by Agent Orange exposure are also seeking compensation from manufacturers.

6. DOW and NAPALM

The dreaded Napalm that was used by the US military to burn civilians and soldiers alike in the Vietnam War was a DOW innovation. The jelly-like chemical, when sprayed over people, would burn them on contact. The world famous photograph of a naked child running DOWN a street in Vietnam screaming in agony captures the effects of the DOW product Napalm (Nick Ut's photograph of Kim Phuk, taken in 1972, won the Pulitzer Prize). Thousands of surviving victims still lack medical rehabilitation and financial compensation.

7. DOW and DDT

DOW was a major producer of DDT. DDT, a deadly pesticide, is one of the twelve Persistent Organic Pollutants (POPs) slated for elimination under the Stockholm Convention in 2001. American manufacture of DDT began in 1939, shortly after its potency as a pesticide was discovered. The chemical was used widely and indiscriminately for decades. The US Environmental Protection Agency (EPA) cancelled all uses of DDT from January 1st 1973, except for emergency public health, quarantine and export. DDT is an endocrine disrupter, affects the nervous system and can cause liver damage, and remains in the environment for long periods of time.

8. DOW and DURSIBAN PESTICIDE

One of the most commonly used pesticides was found to be a cause of illness to thousands each year, including neurological damage to children. The U.S. EPA fined DOW \$732,000 in 1995 for failing to disclose reports of adverse effects associated with the use of and exposure to Dursban. DOW continues to maintain that Dursban is safe, but entered into a voluntary agreement to remove Dursban from over-the-counter products in the USA by the end of 2000. DOW was successful in pressuring the EPA to refrain from an outright ban, allowing the continued production and use of Dursban in a number of agricultural products. DOW Chemical still manufactures and sells this pesticide in many countries worldwide, such as India.

For instance, as late as 2003, the DOW Chemical website claimed: "Consumer exposure from labeled use of chlorpyrifos products provides wide margins of

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safety for both adults and children.” By contrast, according to Dr. Philip Landrigan, chair of the Department of Community and Preventative Medicine at Mount Sinai Medical Center, “Excellent studies conducted by independent scientists have clearly shown that chlorpyrifos, the active ingredient in Dursban, is toxic to the human brain and nervous system and is especially dangerous to the developing brain of infants.” Serious negative health impacts on fetal development have come to light since its removal from New York markets.¹⁶⁴ A study by the Delhi based Centre for Science and the Environment tested 36 samples of soft drinks in India. “Chlorpyrifos was detected in 100% of the 36 samples analyzed

9. DBCP and BANANA WORKER

Dibromochloropropane (DBCP), widely sold under the name Nemagon, is a pesticide that was banned in the U.S. in 1978 following evidence linking its use to both sterilization and cancer. However, DOW and other chemical manufacturers continued to produce DBCP for export to newly industrializing countries. Twenty five thousand farm workers in Costa Rica and other countries brought a suit against DOW for sterility from the use of DBCP on banana crops. DOW initially attempted to block the suit, but was ultimately forced to settle for \$41.7 million, along with Shell and Occidental Petroleum in 1997.

DOW stated in its Sept. 30, 2003, 3rd Quarter 10Q that: “Numerous lawsuits have been brought against the Company, both inside and outside the United States, alleging that the manufacture, distribution or use of pesticides containing dibromochloropropane (“DBCP”) has caused personal injury and property damage, including contamination of groundwater. It is the opinion of the Company’s management that the possibility is remote that the resolution of such lawsuits will have a material adverse impact on the Company’s consolidated financial statements.”

But the company is probably still involved in a number of legal efforts by those claiming health damage from exposure to the chemical and reports extensively on the issue.

10. DOW und SEMI-CONDUCTOR WORKER

Semi-conductor Worker Liability: Union Carbide, a wholly owned subsidiary of DOW since 2001, is currently involved in litigation stemming from the semiconductor industry, to which it is a supplier, involving claims of worker exposure to hazardous chemicals.

11. DOW and VINYL CHLORIDE IN HAIRSPRAY

DOW and a range of other manufacturers, including Union Carbide, marketed

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and supplied the toxic and cancer causing chemical, vinyl chloride, as the propellant gas in cans of hairspray from 1958 until it was eventually banned in 1974. Even though reports of the toxicity of vinyl chloride were first recognized in the early 1960's and the industry knew unequivocally by 1971 that vinyl chloride caused cancer, they continued to supply the chemical until at least 1973 and failed to inform consumers and thousands of beauticians that they had been exposed to this deadly poison. ²

12. DOW and SILICON BREAS IMPLANTS

DOW Chemical and its subsidiary, DOW Corning, were found to have knowingly deceived the public about the health risks associated with silicon breast implants, and to have failed to adequately test the products. DOW Corning and DOW Chemical entered into a settlement agreement for \$3.2 billion in 1998 to cover claims associated with silicon implants.

13. DOW and ASBESTOS

In January 2002, DOW settled a case brought against its subsidiary Union Carbide. Union Carbide was one of the companies named in a suit brought by workers exposed to asbestos in their work place. Having acquired Union Carbide in 2001, DOW became responsible for the case and reached a settlement. DOW has other outstanding claims against it for personal injury related to exposure to asbestos on various DOW premises.

14. DOW-Carbide and URANIUM

Twenty years after the DOW-Carbide uranium mill in Uravan, Colorado closed in 1984, a group of 82 former Uravan residents and descendants of company employees is suing DOW-Carbide and its wholly owned subsidiary Umetco Minerals Corp., blaming the companies for a variety of suspected mining- and milling-related illnesses and genetic disorders. The lawsuit, asking for unspecified monetary damages, was filed Jan. 23, 2004 in Denver federal court.

15. DOW and MICHIGAN-CONTAMINATION

Contamination in Michigan: DOW may incur potentially material liability related to dioxin contamination of more than 22 miles of the Tittabawassee River as well as sections of the Saginaw River and Saginaw Bay in Michigan. A class-action lawsuit involving more than 300 plaintiffs is currently in discovery. In the 2003 10K, DOW has reported an accrued \$54 million in remedial liabilities for

² <http://www.chemicalindustryarchives.org/dirtysecrets/hairspray/1.asp> & <http://www.chemicalindustryarchives.org/dirtysecrets/vinyl/1.asp>

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Midland – which appears inadequate to reflect the range of potential liabilities associated with this matter.

16. DOW and Myrtle Grove-Pollution

A lawsuit has been filed alleging vinyl chloride monomer contamination of the water supply in Myrtle Grove, a community outside the company's Plaquemine Louisiana vinyl chloride plant.

Vinyl chloride levels are five times those allowed by US federal regulations on safe drinking water. Though Louisiana Department of Health and Hospitals knew about the contamination in 1997, they failed to inform the community.

Testing of groundwater conducted in June 2001 found that nine of the twelve new wells sampled were contaminated with vinyl chloride³. Wilma Subra, a scientist working with the Louisiana Environmental Action Network stated "some samples, especially some near DOW, showed concentrations of vinyl chloride 4 to 10 times greater than the allowable limit of 2 parts per billion"⁴.

Current and former residents of Myrtle Grove are suing DOW Chemical, stating that the company knew about the contamination and covered up information. The lawsuit was filed in Baton Rouge on 8th of January 2002. According to the Baton Rouge Advocate, though the source of the 'problem' has yet to be determined in Plaquemine, efforts by the Louisiana Department of Environmental Quality to determine the source have drastically reduced. At the same time DOW plans to expand its VCM production in Plaquemine.

17. DOW and other TOXIC WASTE SITES

As of December 2000, the EPA has named DOW or Union Carbide as a Potentially Responsible Party (PRP) under federal or state Superfund laws at a combined 136 hazardous waste sites. In 2002, DOW Chemical estimated its Superfund liability at \$394 million (see DOW's 2002 Annual Report). Records from the Rocky Flats nuclear weapons plant in Colorado - which was operated until 1975 by the DOW Chemical Company - indicate that some workers absorbed so much plutonium that the chromosomes of their blood cells became deformed; 13 workers have died of cancer. As of 2000, a total of 50,000 Coloradans have joined in a \$550 million lawsuit against DOW and Rockwell International, the other co-operator of the plant. A federal judge recently ruled that their 13-year-old lawsuit could proceed.

In the 1940's, DOW-Carbide dumped nearly 50 million gallons of radioactive effluents (equivalent to nearly 13 seconds of full flow over the American Falls) into the ground at Tonawanda, New York, and from there it drained into local aquifers and the Niagara River. In the 1960's and 1970's they also buried 505 tons of material containing 9,212 pounds of uranium oxide and 1,293 pounds of thorium oxide 20 feet under the earth near Niagara Falls Boulevard. This material has never been recovered and disposed of, and no one knows exactly where it is to this day. See the Niagara Buzz and this site for an excellent

³ Dunne Mike; Samples fail to identify source of contamination. The Baton Rouge Advocate. June 27 2001.

⁴ ibid

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series.

18. DOW and GENETIC MODIFICATION

DOW AgroSciences is developing leading positions in providing crop biotechnology products by building a plant genetics and biotechnology business in crop seeds and traits for seeds as well as industrial biotechnology and pharmaceutical biotech production techniques. Monsanto, the industry leader in genetically modified crop development, has admitted in its latest annual report that research and development of genetically engineered (GE) crops will result in the spreading of GE traits to non-GE crops. This is a major admission for the industry and implies that the risk of contamination and negative impacts is very high going forward. Given DOW's growing involvement in this area of industrial agriculture, these same risks apply. DOW, despite increasing involvement in this area, including working with Monsanto, has not reported on such risks. However, the issue of inevitable contamination implies that a serious contamination problem is a matter of when, not if.

19. DOW and GLOBAL WARMING

As big global player, DOW contributes overproportionally to the Global warming. Global warming, caused by the emission of greenhouse gases from the burning of fossil fuels, has been designated by national and corporate leaders at the World Economic Forum to be the greatest threat to human civilization. DOW's operations require large amounts of fossil fuels which are used for energy and feed-stocks.

As a former member of the Global Climate Coalition (GCC), DOW opposed restrictions on the greenhouse gas emissions that lead to global warming and climate change, and tried to obscure scientific evidence provided by 2,500 of the world's leading climate change scientists that global warming is a reality. DOW's interest in undermining climate change science is clear: it produces chlorine which is used in the manufacture of greenhouse gases like hydrofluorocarbons and halocarbons, and manufactures feedstocks and chemicals used by oil, gas and auto industries—industries that contribute to climate change.

20. DOW and WAR

DOW has been a regular supplier to and has profited handsomely from military contracts since its founding. In WWI, DOW supplied numerous chemicals for the war effort, including picric acid and monochlorobenzol, used in making explosives, and gas warfare agents including phosgene and mustard gas. In WWII, DOW also played a key role in supplying phenol for use in explosives, and incendiary bombs, among other products. Union Carbide also profited.

DOW's business got a further boost in 1988 when they sold pesticides to Saddam Hussein that they knew could be used as chemical weapons.

During the reign of the apartheid government in South Africa, DOW continued

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with business-as-usual, supplying it with herbicidal chemicals to render the border between South Africa and Zimbabwe infertile. These actions have led to a \$71 million lawsuit, filed in New York, by farmers who claim that their lands remain infertile. Separately, in October 2003, a New York lawyer filed a case against five companies, including DOW and Union Carbide, accusing them of defrauding South African workers during the Apartheid era.

21. Current Financial Obligations

The above issues, added to DOW's well known obligations under asbestos and breast implant litigation, and a \$10.7 billion in debt and a debt-to-capital ratio of 53%, point to further strain on company reserves and thus increase the potential financial risks associated with DOW's overall product and environmental liability scenario.

Nomination submitted by

Organisation:

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