

# **An Open Letter to All Employees, on the Tragedy in Bhopal, India 18 Years Ago**

*Note: This letter was posted for all Dow Employees on Dow's Intranet.*

Midland, MI - November 28, 2002

Dear Colleagues,

December 3rd marks the 18th anniversary of the terrible tragedy that occurred in Bhopal, India. It was a tragedy of unprecedented proportions, and no one in industry – especially the chemical industry – should ever forget. Indeed, as I have said before, I can still recall the exact moment I heard the news, and the profound sadness I felt. On December 3, I plan to spend a few quiet moments reflecting on the lessons of Bhopal. As I do so, I will also personally recommit to achieving excellence in Dow's environment, health and safety performance, and continuing our drive toward Sustainable Development. I encourage every Dow employee to do the same.

In case you are unfamiliar with what took place in Bhopal 18 years ago, here's a very brief summary:

\* Shortly after midnight on December 3, 1984, methyl isocyanate gas (MIC) leaked from a storage tank sited at a pesticide manufacturing facility in Bhopal.

\* As it leaked from the tank, the gas drifted across the neighbouring communities with devastating consequences. According to the Indian government, some 3,800 people died and thousands more were injured as a direct result of exposure to the lethal fumes.

Without a doubt, the tragedy changed our industry forever as companies across the globe collectively took on the moral responsibility to prevent anything like it from ever happening again. Indeed, the horrific event in Bhopal was the driving force for the design and implementation of Responsible Care®.

At the time of the disaster, the Bhopal plant was operated by Union Carbide India Limited (UCIL), a 51 percent affiliate of Union Carbide (Indian government financial institutions owned 26 percent of the shares and some 24,000 private Indian citizens owned the balance.)

As you know, Dow acquired Union Carbide's stock on February 6, 2001. And that is why, with the anniversary of the Bhopal tragedy approaching, it is very likely that Dow will be the focus of protests and demonstrations. In particular, we expect the environmental group Greenpeace to intensify their public campaign against us, strengthening their demand that Dow take responsibility for the tragedy. To provide some balance to the claims you'll likely hear from Greenpeace over the coming weeks, I wanted to reiterate Dow's perspective on this issue.

In the eyes of the highest courts of India, the Bhopal case is closed. In 1989 a settlement agreement was reached between Union Carbide, Union Carbide India Limited and the Indian government through which Union Carbide paid \$470 million in compensation, covering all claims relating to the incident. In response to public concerns, the Indian Supreme Court reviewed this settlement agreement and, in 1991, determined it should stand – concluding that it was 'just, equitable and reasonable'.

At that point the legal case was closed. So when Dow completed its acquisition of Union Carbide stock in February 2001, the subsidiary had no remaining liability for the tragedy that

had occurred 16 years previously.

The black-and-white legal case is one thing. But, there is more for us to consider. As a company committed to Sustainable Development, and therefore, the very notion of good corporate citizenship, we also have an entirely separate humanitarian question with which we have to wrestle. Since acquiring Union Carbide, we have been engaged in thoughtful discussions to answer the question – *Can, and should Dow, in its role as a global corporate citizen, help to address any of the present day needs which are apparent in Bhopal?* That is why, despite the fact that we clearly have no legal obligations in relation to the tragedy, we have, for some time, been exploring various philanthropic initiatives which might address some of those needs – just as we do in other parts of the world where we have business interests.

As a result, for the past two years we have held a number of discussions with the International Campaign For Justice in Bhopal in India, trying to better understand their concerns and to solicit help in identifying appropriate humanitarian aid projects. This work continues – and we remain hopeful that we can find an appropriate initiative in the not too distant future.

But what we cannot and will not do – *no matter where Greenpeace takes their protests and how much they seek to undermine Dow's reputation with the general public* – is accept responsibility for the Bhopal accident.

It is therefore extremely likely we will face a number of protests at our sites around the world during the coming weeks, and into the future. I regret for this distraction – I realize it can be both disruptive and distressing – but I hope you can understand why we will not yield to this sort of pressure.

I also hope you will not let this deter your pride in our company and all that it stands for. The products we produce benefit people around the world, improving their lives each and every day. Our commitment is clear. From our far-reaching and voluntary Environment, Health and Safety Goals for 2005 to our 12-point Implementation Plan for Sustainable Development, we at Dow will continue to strive to achieve our vision of zero harm to the environment, to our people or to anyone we touch in the value chain. So, on December 3rd, take a moment, to reflect on the tragedy of Bhopal, and to recommit to doing your part to moving our company ever closer to that vision of zero.

Thank you for your continued support.

Sincerely,  
Michael D. Parker  
President and CEO  
The Dow Chemical Company