



DOW[®]

INtersections

2020 | Environmental, Social and Governance Report

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VISION & STRATEGY:
INTERSECTION OF SCIENCE
AND SUSTAINABILITY, CULTURE
AND ACCOUNTABILITY



About This Report GRI 102-1, 102-32, 102-50, 102-51, 102-52, 102-53 and 102-54

This Environmental, Social and Governance (ESG) Report reflects Dow's performance as of, and for the year ended December 31, 2020. The information in this report is presented on behalf of Dow Inc. and all of its consolidated subsidiaries, including The Dow Chemical Company (collectively, "Dow").¹

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Comprehensive option. The Comprehensive option requires that Dow report all the General Disclosures described in the GRI Standards as well as all the material Specific Disclosures. In addition to the GRI, this report references additional frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and World Economic Forum (WEF) Stakeholder Capitalism Metrics. For more information about Dow's approach to reporting, and indexes to each framework, click [here](#).

This document also serves as Dow's UN Global Compact Communication of Progress for 2020. This report has been reviewed by the Board of Directors of Dow Inc. In addition, Dow engaged Deloitte & Touche LLP to perform a review engagement on management's assertion related to the ESG disclosures referenced or included in the GRI Content Index as of, and for the year-ended December 31, 2020. Deloitte's report can be found [here](#).

Dow's 2020 ESG Report builds on its annual [Sustainability Report](#)², which Dow had been publishing since 2003, and its annual Inclusion and Diversity Reports, [Shine](#)³, which has been published since 2018. Additional reporting that may be of interest to the reader can be found at [corporate.dow.com](#)², including:

- [2019 Shine Report](#)³
- [2019 Sustainability Report](#)²
- [2019 Employer Information Report EEO-1](#)³
- [2020 Annual Report](#)²
- [2020 Form 10-K](#)²
- [2021 Proxy Statement](#)²

Thank you for your interest in our report. We welcome your questions, comments and feedback. You may contact any of the following senior leaders – Rebecca Bentley, vice president, Public Affairs; Karen S. Carter, chief human resources and inclusion officer; Mary Draves, chief sustainability officer and vice president, Environment, Health & Safety; or Amy Wilson, general counsel and corporate secretary – with your comments or questions at FESGRPT@dow.com.

¹ Consolidated subsidiaries as defined in Dow Inc. Annual Report on Form 10-K for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission (SEC) on February 5, 2021.

² This symbol indicates that information at this link was not subject to Deloitte & Touche LLP's review and; accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. The audited financial statements included in the 2020 Form 10-K and 2020 Annual Report were audited by Deloitte & Touche LLP and its audit report, dated February 5, 2021, is included therein.

³ This symbol indicates that information at this link was not subject to Deloitte & Touche LLP's review and; accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



VISION & STRATEGY:
INTERSECTION
OF SCIENCE AND
SUSTAINABILITY, CULTURE
AND ACCOUNTABILITY



OUR BUSINESS:
INNOVATING FOR
A SUSTAINABLE
TOMORROW



ENVIRONMENTAL:
INROADS FOR
SUSTAINABLE
DEVELOPMENT



HEALTH & SAFETY:
INTEGRATING
SAFETY INTO
ALL WE DO



**INCLUSION
& DIVERSITY:**
INTENTION, ACTION
AND SUSTAINABLE
PROGRESS



COMMUNITY:
INVESTING IN
OUR PEOPLE AND
PLACES WHERE
WE LIVE AND WORK



**CORPORATE
GOVERNANCE:**
INSTRUMENTAL TO
ACCOUNTABILITY



APPENDIX:
OUR APPROACH TO
ESG REPORTING
AND DISCLOSURE



Message from Our Chairman and CEO GRI 102-14

2020 was a year unlike any other. The global pandemic created unprecedented health, social and economic upheavals. Racial and social injustice issues vaulted to the forefront of our collective experience. Nearly every element of the way in which we live, work and interact within the world rapidly – and fundamentally – changed.

Against this historic and challenging backdrop, one lesson was affirmed again and again: Team Dow plays an important, positive role in the lives of many stakeholders. When frontline workers needed personal protective equipment, Dow was there with innovative solutions.

When protests erupted against systemic racism across the United States, we listened to our colleagues to understand harsh truths, and committed to use our resources to foster social justice and racial equity – both within our company and in our communities. When colleagues and neighbors suffered from extreme weather events, Dow was there to aid in recovery efforts and help in the journey toward resiliency.

The events of 2020 remind us that we are fundamentally interconnected with one another – our actions impact those around us exponentially. And they bring into perfect focus our purpose as a company: *To deliver a sustainable future for the world through our materials science expertise and collaboration with our partners.*

Dow's environmental, social and governance (ESG) strategy reflects how we are putting our purpose into action. Every day, our Team Dow colleagues seek new and better answers to transform our world, while also making us stronger and

more resilient. After all, we simply cannot thrive as a business if our colleagues, our communities and our planet do not thrive.

Dow has a long history of leadership in reporting transparency and sustainability disclosures, and we continue to build on our foundation of reporting against the GRI standards by expanding to include disclosures against SASB standards and TCFD. Going forward, we also are actively working with the World Economic Forum's International Business Council to help consolidate reporting frameworks and arrive at a consistent and comparable international accounting standard for ESG matters.

In short, we are setting bold goals, measuring our progress and providing increased transparency on our performance.

This report represents the first time that we've combined ALL of our ESG priorities and actions into one holistic, transparent and comprehensive ESG report.

As you'll see inside, even in a year overshadowed by uncertainty and volatility, Team Dow rallied to make impressive gains against our ESG priorities.

Among the 2020 highlights:

- Building on our [2025 Sustainability Goals](#), we **launched a new, aggressive target in line with the Paris Agreement to become carbon neutral by 2050. We also set ambitious targets to help eliminate plastic waste.** Already, we're taking action. In 2020, we tripled sales of product made with renewable bio-based feedstock, helping to ensure our packaging applications will be reusable and recyclable. We also increased our agreements to purchase cost-competitive renewable energy and are investing in technologies that can help provide a path to decarbonization, such as electric cracking technology.



Hear more from our CEO [↗](#)

“The events of 2020 remind us that we are fundamentally interconnected with one another – our actions impact those around us exponentially.”



Message from Our Chairman and CEO

- We **reached the midpoint of our “Valuing Nature” Goal**, achieving \$530 million in savings toward our \$1 billion target of finding economic value in nature-related projects that are both good for business and for ecosystems. We also celebrated our 10-year groundbreaking collaboration with The Nature Conservancy to value nature in business decisions.
- We **launched Dow ACTs**, a holistic framework to address systemic racism and racial inequality by committing to actions in the areas of **A**dvocacy, **C**ommunity engagement and our own **T**alent pipeline. In total, we have committed more than \$10 million over the next five years.
- We were recognized **as a leader in inclusion and diversity** – from external organizations such as DiversityInc, Great Place to Work, Human Rights Campaign, Disability:IN, Out & Equal, INvolve, National Organization on Disability, Forbes, PEOPLE Magazine, Economic Dividends for Gender Equality (EDGE), and the Financial Times.
- We contributed nearly **\$34 million to communities worldwide** to address key needs such as building inclusion in our communities, STEM programming, sustainable business development and disaster relief.
- We redesigned our 2020 annual Performance Award bonus program to include **new ESG metrics**. This new design holds all Dow people leaders accountable for delivering on our ambition by including targets for customer experience, sustainability, and inclusion & diversity.

- We also welcomed additional **diverse talent** into key director roles as part of our board refreshment strategy and continue to be a leading company among industry peers for board diversity.

In 2020, more than ever, our world demanded solutions. Positive change – at the scale and pace we need – requires a collaborative effort, with companies, people and governments working together. As a company, we are committed to the Ten Principles of the UN Global Compact and achieving the Sustainable Development Goals.

To meet the challenges ahead for our business and society, Team Dow is working with focus and determination to create a more sustainable, equitable and prosperous world for all. I’m immensely proud to share our ESG progress with you through this report and I welcome your feedback.

Best regards,

Jim Fitterling

Chairman and Chief Executive Officer, Dow



At the Intersection of Science and Sustainability, Culture and Accountability

The challenges that we face as a society are inextricably interconnected: climate change, social inequity, waste in our oceans, declining biodiversity, and the need for clean water and air. By working at the intersections of science and sustainability, culture and accountability, Dow is partnering with others to encourage new thinking and advance ESG issues that matter to our customers, our employees, our communities and our business success.

Our purpose is simple: to deliver a sustainable future for the world through our materials science expertise and in collaboration with our partners. Achieving this inspiring goal is a responsibility we take seriously. In this report, you'll see how our diverse, dedicated Team Dow is advancing our ambition to be the most innovative, customer-centric, inclusive and sustainable materials science company in the world. Collaborating with a wide range of stakeholders to **advance environmental stewardship**. Cultivating **a culture of inclusion and diversity**. Achieving results through **highly principled and socially responsible business practices**. Contributing to the **well-being of our communities**. These commitments reflect our culture of operational excellence, high ethical standards, strict financial discipline and transparent risk management.

AMBITION

To be the most innovative, customer-centric, inclusive and sustainable materials science company in the world

PURPOSE

To deliver a sustainable future for the world through our materials science expertise and collaboration with our partners

OUR GOAL

Value growth and best-in-class performance

OUR VALUES



Integrity



Respect for People



Protecting Our Planet



Q&A with Dow Senior Leaders

We talked to four senior leaders – Rebecca Bentley, Karen S. Carter, Mary Draves and Amy Wilson – about how Dow continued to drive action on its ESG priorities in 2020.

Join our conversation on how ESG priorities are driving value across Dow



Rebecca Bentley, vice president of Public Affairs



Karen S. Carter, chief human resources and inclusion officer



Mary Draves, chief sustainability officer and vice president of Environment, Health and Safety



Amy Wilson, general counsel and corporate secretary



In the past, Dow has published separate sustainability, inclusion and diversity, and corporate citizenship reports. Why is Dow publishing one ESG report for 2020? What's changed?

MD

Mary Draves, chief sustainability officer and vice president of Environment, Health and Safety

For years, Dow has been a leader in sustainability reporting, and elements of ESG criteria have been woven into our reports. This year, we continue to follow GRI Standards Comprehensive option, but we are telling our story through a more holistic ESG lens, and making the data more readily available for our stakeholders, through one integrated report.

RB

Rebecca Bentley, vice president of Public Affairs

All three areas are critical to our overarching narrative – how Dow is addressing today's challenges, and, in the process, making us a stronger company. These actions support our company's growth and our customers' goals. They also enrich the lives of people working at Dow and the resilience of the communities where we work and live.

KSC

Karen S. Carter, chief human resources and inclusion officer

ESG has become a shared expectation of our employees, our leaders and our owners. The expectation is that we will deliver visible and meaningful progress – and increase transparency around that progress. This new ESG report enables us to tell our full story together and show how an inclusive culture and diverse workforce helps us develop solutions for a more sustainable world and drive business results.

AW

Amy Wilson, general counsel and corporate secretary

Governance ties it all together. Alongside environmental and social issues, good governance lies at the heart of good business. How do we ensure we are operating with transparency and integrity for all of our stakeholders? How are we identifying and managing the sources of long-term value creation and risks? It is a single narrative. This ESG report also demonstrates our commitment to integrity and transparency. It shows our progress and our learnings. And – importantly – it establishes ambitious targets against which we are holding ourselves accountable.



Dow has made cultivating an inclusive culture one pillar of its ambition, alongside sustainability, customer-centricity and innovation. Why? How is engaging Dow's Employee Resource Groups (ERGs) part of that strategy?

KSC

Inclusion is a powerful catalyst that **accelerates** customer-centricity, sustainability and innovation. Fundamentally, our ambition is only made real through the actions of Team Dow. An inclusive culture brings out the most innovative, fresh thinking in all Dow people. We need a culture where everyone feels they belong and can contribute – a culture built on trust, transparency, empowerment and accountability.

Our ERGs are an incredible asset as we strive for a more inclusive company. Our 10 ERGs represent different dimensions of diversity and are safe havens for employees to see themselves, be themselves and to be heard. And, just as important, ERGs are places where allies engage to learn and advocate for people who may be unlike them. We consider our ERGs to be a source of sustained competitive advantage because research and our own data tell us that employees who participate are more engaged. Our ERGs also provide opportunities for employees to play an active role in our talent processes, in community outreach, and serve as resources for business success.



What are the main sustainability challenges for Dow and for the industry as a whole?

MD

In 2019, we set out an accelerated roadmap for our sustainability agenda. First, we defined our sustainability priorities by asking: What are the most critical sustainability needs of our industry, and where can we make the most significant difference? The answer: climate protection, circular economy and safer, more sustainable materials for our world. These areas are central to both our license to operate and our future growth.

And in 2020, we developed [new long-term targets](#) that will help us lead our industry toward carbon neutrality and a world without plastic waste. Climate change and plastic waste are among the greatest technical, social and economic issues the world has ever faced. Dow products and technology are critical to addressing both.

Our climate target is our commitment to implement and advance technologies to manufacture products using fewer resources and that help customers reduce their carbon footprint. The goal is clear: By 2030, we will reduce our net annual carbon emissions by 5 million metric tons. And by 2050, we intend to be carbon neutral in alignment with the Paris Agreement. Getting there isn't going to be easy. To achieve true carbon neutrality, we need step-change technology and step-change thinking. Already, we're making progress.

Turning to plastic, we know lightweight plastic is essential to a low-carbon economy, but plastic waste has to stop. Too much finds its way into rivers, landfills and oceans. Our plastics plan consists of two targets: **Stop the Waste** and **Close the Loop**.

Stop the Waste is about investing and collaborating in key technologies and infrastructure to significantly increase global recycling. It states that by 2030, Dow will enable 1 million metric tons of plastic to be collected, reused or recycled through direct actions and partnerships.

To close the loop, we are committed to redesigning and promoting reusable or recyclable packaging applications so that by 2035, 100% of our products sold into packaging applications will be reusable or recyclable. This reflects our commitment to work directly with our customers, brand owners and the value chain to redesign and promote reusable or recyclable packaging applications, like our RecycleReady Technology for packaging applications.

Dow is taking a unique approach to these challenges, recognizing they are closely linked, and therefore, approaching them together as we seek solutions. The targets offer an opportunity to drive meaningful progress and include collaborating with our value chain and industry partners, governments, NGOs, communities and other stakeholders.



What's the connection between value creation for shareholders and value creation for society?

AW

Industry-leading environmental, social and governance performance are all essential to delivering long-term shareholder value. They are integrated into our business and operational strategies, making us a stronger, more resilient and more profitable company. In addition, our success has a ripple effect – from job creation to community support to continued investment in sustainable innovations for our customers. All of this has a positive impact on our communities and society overall. For example, our Consumer Solutions business is investing in solutions that produce fewer carbon emissions and preserve biodiversity at our Breu Branco site. Locally, these solutions help protect the rainforest while providing much-needed jobs to the community. For customers, they help meet their goals for net-zero emissions and sustainably sourced, nature-derived ingredients for personal care products. It's a great example of how what's good for our business and customers can be good for the environment and local communities, too.



Dow is devoting significant resources to helping improve racial equity through its Dow ACTs program. How did the Dow ACTs program come together, and what changes would you like to see as a result of it?

KSC

Last June, in the wake of the murder of George Floyd, our CEO, Jim Fitterling, hosted a virtual conversation on racial justice, which was sponsored by our Global African Affinity Network and attended by more than 1,000 colleagues, including Dow's entire senior leadership. We've been on a journey for several years to accelerate our progress on inclusion and diversity. While we've made progress in many areas, our people made it clear that we needed to use the full range of Dow's resources to support a broad-based movement against systemic racism in all of its forms.

We launched [Dow ACTs](#), a holistic plan to address systemic racism and racial inequality in the areas of advocacy, community engagement and our own talent pipeline. This plan was approved by Dow leadership and our Board of Directors. Overall, we've pledged \$5 million over the next five years to help accelerate change, plus an additional \$5 million to support historically Black colleges and universities and community college skilled trades programs through 2024.

There are far too many actions to name here – and you can read more about Dow ACTs in the report. But let me just highlight a few: In the area of advocacy, we have joined a multi-year partnership with the Congressional Black Caucus Foundation to support their newly launched National Racial Equity Initiative. In our communities, we are focusing our long-standing Dow Promise Grant Program to positively impact Black communities near Dow locations. To strengthen our talent pipeline, we are focusing on the recruitment, development and advancement of U.S. ethnic minority talent through existing programs like BEST and Diamond symposia, which are designed to introduce students to the wide range of career opportunities at Dow. In addition, we have focused on improving representation in leadership through the new Advocacy in Action sponsorship program.

While the commitments aligned to Dow ACTs focus on racial injustice in the United States, the framework can be applied and adapted to address other forms of systemic discrimination around the globe. For example, Dow Brazil has already launched Dow ACTs to remove racial inequities for Black (Pretos) and Brown (Pardos) people. And the adaptation of the framework to address anti-Asian discrimination is also underway.



What does good governance of ESG issues look like? How is Dow's Board helping oversee ESG issues at Dow?

AW

At Dow, we believe that good governance takes both a top-down and bottom-up approach and we demonstrate that in various aspects of our ESG approach. For example, from a top-down perspective, we have several mechanisms in place to ensure our sustainability strategy is integrated across Dow and our progress is transparently reported and properly measured. At the highest level of our company, oversight is provided by Board committees. We also bring in diverse perspectives and guidance through our external Sustainability External Advisory Council. Our ESG reporting team tracks our progress against our metrics. Executive-led Carbon and Plastics teams help drive progress against our new targets, while business and function sustainability leaders oversee the sustainability strategies for each of their business units. As another example, our corporate citizenship actions are governed by the Dow Company Foundation Board.

At the grassroots level, Team Dow is engaged in reinforcing our sustainable and inclusive actions in many ways – including employee volunteer efforts and collaborative innovations with our customers. A Joint Inclusion Council engages our Employee Resource Group leaders to coordinate and activate thousands of Dow employees to ensure we are maximizing their impact and the strategy remains relevant.

Everyone is accountable for our ESG priorities at Dow. In fact, we incentivized our team members around the world by adding ESG elements to our annual Performance Award program.



Dow is a global company, manufacturing products in 31 countries. How does Dow take a strategic, enterprise-wide approach to corporate citizenship while also being responsive and relevant to local community needs?

RB

It's a great question, and a challenge we embrace. We start with a Global Citizenship strategy that has five strategic priorities: advance sustainable solutions, build inclusive communities, develop tomorrow's innovators, engage employees for impact and collaborate with communities. These pillars of engagement help guide our activities and investments in our communities.

Our strategy comes to life through Team Dow at every level in our organization. For example, our ALL *IN* ERG Fund is helping build inclusive communities by providing seed grants that support ERG-initiated community projects aimed at advancing inclusion. Our STEM ambassadors are helping develop tomorrow's innovators by sharing their passion for STEM in classrooms and through activities such as *FIRST*® Robotics. These activities are supported by a new global volunteer policy that includes paid time-off for volunteer work.

We also make sure we listen to and get feedback on community priorities. One way we listen and engage is through Community Advisory Panels, which meet on a regular basis and include a number of community stakeholders who share their perspectives on issues, challenges and opportunities. By building strong relationships with our communities, we are able to collaborate on a variety of topics and help bring about real change on issues that matter most to our neighbors.

“We also make sure we listen to and get feedback on community priorities.” –Rebecca Bentley



In what ways do the circular economy and carbon management present risks, and in what way are they growth drivers?

MD

Climate change and plastic waste are major challenges of our times. Both business and governments are amplifying efforts to reduce the risk and impact of climate change through carbon management. The same is true for the circular economy. Governments are stepping up their involvement in bringing about a circular economy. At the same time, more major retailers and brand owners have targets for 100% reusable, recyclable or compostable packaging, and many of these companies have committed to substantially increasing the recycled content in their products.

One of the biggest risks to any company confronting these issues is inaction. Both decarbonization and achieving a circular economy will require breakthrough technology. Risk management strategies must go beyond business as usual and also consider how to facilitate benefits to our society. By going big with collaborations and investments and taking a holistic approach to the challenges we face, we can help contribute to a more stable and prosperous future – and find new paths to growth.

Take circular economy as an example. It is not enough for Dow to be concerned about our own materials and what they are made of. We also need to be aware of how they impact the wider system of collection and recycling. To that end, we are looking for ways to accelerate local solutions that bring value to plastic waste and prevent waste from entering the environment in the first place. Our goal is to scale up projects and initiatives that improve the economics of recycling infrastructure and recycled polymers. [Learn more.](#)

We also believe that our materials science can play a unique role in contributing to a carbon-neutral global economy. In addition to reducing our own emissions, we are investing and innovating products that contribute to a low-carbon society, such as materials for lightweight cars, building insulation and solar panels. In fact, many of our products help lower our customers' emissions by more than the carbon emissions used to produce them.

So, yes, we see sustainability as both a driver of growth and an element in managing our risks. It is integral to our business strategy.

“By going big with collaborations and investments and taking a holistic approach to the challenges we face, we can help contribute to a more stable and prosperous future – and find new paths to growth.” –Mary Draves



This year has been challenging, from a pandemic to worldwide calls for an end to systemic racism to natural disasters. What have been your biggest learnings? What are you most proud of?

RB

One of the biggest learnings has been the power of intentionally listening, followed by purposeful action. Dow's response to the pandemic was based on listening to the science and statistics and learning as much as we could as quickly as possible. That process informed – and continues to inform – our actions. The same is true in terms of social justice. Karen talked earlier about the listening session with our Black employees. Listening led to launching Dow ACTs – an incredibly intentional set of actions.

I think I'm most proud of how Dow people can turn heartbreak into positive action. From the tragic murder of George Floyd, Dow people have come together to embrace Dow ACTs and engage in activities like our Martin Luther King Jr. Day of Service. Or if we look at the incredible toll of COVID-19 – physically and psychologically – Dow people have come together to support each other, as well as the needs of our customers and of our communities around the world. [Learn more.](#)

MD

Rebecca, that is so true. Let me add, the once-in-500-years flood in Midland, where Dow is headquartered, forced thousands of people from their homes. Some people lost everything. I'm incredibly proud of how Dow people volunteered by the thousands to help people recover.

AW

In fact, many of us were out there with our friends, neighbors and colleagues cleaning up flooded basements and helping people who had to move to shelters. And we KEPT bringing our minds, hearts and hands into action this year to help with ongoing recovery efforts as our community continues to work to rebuild. That community spirit and willingness to step up and help is a common trait among Dow people around the world. We live where we work and we work where we live, and this year has been a powerful example of the value of that.

KSC

I know some people were watching to see if our focus on inclusion and diversity as a business imperative would stop or pause while we were navigating through such a challenging year. But I know when you intentionally focus on inclusion and diversity, you can do some of your most impactful work in the face of crises. That's why what I am most proud of is the impact our ERGs had on driving our culture and contributing to our communities, even in the midst of the crises. How they helped us respond to the flood, racial injustice and the global pandemic. Or how they also kept Team Dow engaged in creative ways, which led to best-in-class participation levels. I am also proud of our leaders, who worked to build a culture of trust and empowered our colleagues to do their best work, whether onsite or from home. And, despite the challenges, we achieved our highest employee satisfaction rate in 2020. In other words, inclusion and diversity were definitely not canceled at Dow.

RB

We know there are no easy solutions to the environmental and societal challenges we face. But we also know that our people, science and technology can make a difference. Every day, Team Dow is working to create a more sustainable, equitable future. And we're eager for others to join us.

“I know some people were watching to see if our focus on inclusion and diversity as a business imperative would stop or pause while we were navigating through such a challenging year. But I know when you intentionally focus on inclusion and diversity, you can do some of your most impactful work in the face of crises.” –Karen S. Carter



ESG Priorities – An Overview

Dow's ESG report focuses on four strategic areas of action: Environmental Protection, Inclusion & Diversity, Community and Governance. These areas reflect how we are working as a team to deliver solutions to global challenges and create lasting value for our customers, communities, employees and businesses.

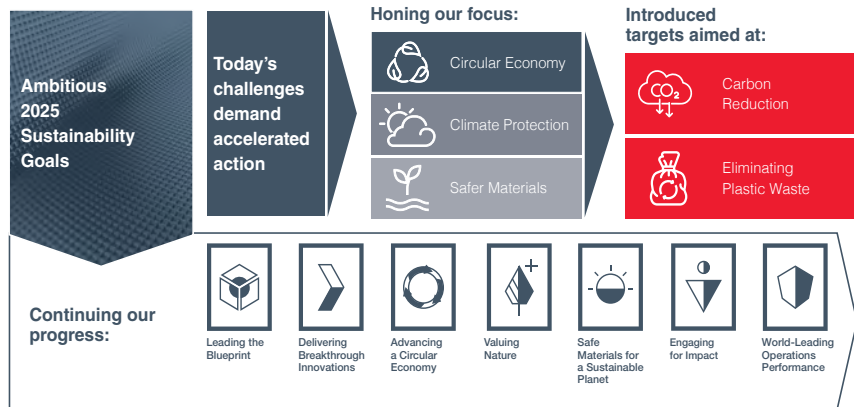
ENVIRONMENTAL PROTECTION

Our strategy for building a more sustainable world focuses on three priority areas: circular economy, climate protection and safer materials. These areas address some of the most pressing challenges facing our planet and offer the most opportunity for Dow to use our science and global scale to make a positive impact. Our 2025 Sustainability Goals are the foundation of our efforts to help lead the transition to a sustainable planet and society. At our halfway point, we have made significant progress. Because today's challenges continue to demand urgent action, we also announced ambitious targets in 2020 to advance a lower-carbon future and a world without waste. View progress on our [2025 Sustainability Goals](#) and targets.

INCLUSION & DIVERSITY

Realizing our purpose and ambition as a company requires an inclusive culture that enables our people to develop, advance, be heard and contribute their greatest value. It requires a diverse workforce that brings wide-ranging, fresh perspectives on how to tackle global challenges and innovate for our customers. Inclusion is a powerful catalyst that accelerates customer-centricity, sustainability and innovation. This is why Inclusion & Diversity is embedded in our corporate strategy with key performance indicators and measures in place for effective, sustained performance. Learn more about Dow's [Inclusion 2020 goals, strategy and progress](#).

Accelerating Our Sustainability Actions to Tackle Critical Challenges



ALL IN

We will deliver concrete, visible and meaningful results globally by 2025 in key areas:

<p>ADVANCE the industry through proactive collaboration on inclusion, diversity & equity (ID&E)</p>	<p>APPLY an equity lens to our policies, practices and decisions</p>	<p>ADDRESS gaps in representation across multiple dimensions of diversity</p>	<p>ACHIEVE gender parity in leadership representation</p>	<p>ALIGN ERGs to business, talent and community imperatives</p>
<p>ACTIVATE leaders to cultivate a culture of inclusion</p>	<p>AMPLIFY transparency as an expectation and common practice</p>	<p>ADOPT a standard of accountability across Team Dow</p>	<p>ACCELERATE spend with a more diverse supplier base</p>	<p>ASCEND to the highest recognition from Great Place to Work® and DiversityInc</p>



ESG Priorities – An Overview

COMMUNITY

We believe in sustainable business that creates positive social change. Our Global Citizenship strategy is a road map for how we connect our core strengths – our science and technology expertise, and global reach and resources – to enhance the lives of people in our communities and help make our planet more sustainable. We do this through our charitable investments, engaging our employees for impact, and global and local partnerships. [Learn more about our 2020 efforts and our approach to impacting communities.](#) Track the progress we’ve made against our 2025 [Engaging for Impact Sustainability Goal.](#)

GOVERNANCE

Best-in-class governance strengthens accountability and protects the long-term interests of all of Dow’s stakeholders. ESG leadership starts with our Board of Directors and extends throughout our enterprise. Across Dow, we are driving for increased transparency and accountability. In 2020, and again in 2021, we refreshed our Board of Directors with an emphasis on diverse thought and experience, and we set aggressive ESG targets. We reinforced accountability and transparency across the company by adding ESG metrics to our Executive Compensation and employee Performance Award programs. The inclusion component of the metrics, including Global ERG Participation, Global Representation of Women, and U.S. Ethnic Minority Representation, is part of the Performance Award program for senior leaders, including all executive leadership. The Board also actively engages with management in oversight and stewardship of the company’s strategy, risk management and overall performance.

Global Citizenship Priority Areas

- 
Advancing SUSTAINABLE Solutions Using Dow products, technology and expertise for social good

- 
Building INCLUSIVE Communities Partnering to address systemic challenges and barriers

- 
Developing Tomorrow’s INNOVATORS Equipping a future STEM pipeline for the jobs of tomorrow

- 
ENGAGING EMPLOYEES FOR IMPACT Promoting a positive employee experience and creating meaningful impact through service and volunteerism

- 
Collaborating with COMMUNITIES Taking action to help our communities in need

Governance Priority Areas

- 
Best-in-class risk management
- 
ESG accountability for all employees
- 
Board refreshment and succession emphasizing diverse thought and experience
- 
Diverse and inclusive senior leadership
- 
Industry-leading transparency in ESG reporting and disclosure



2020 Highlights

ENVIRONMENT

Accelerating Our Commitments	Circular & Sustainable Solutions	Climate Action
<div style="margin-bottom: 20px;"> <p>>50% of the way to achieving \$1B in business value from projects that enhance nature</p> <p>Valuing Nature</p> </div> <hr/> <div> <p>Exceeded our 2025 target to demonstrate a 50% improvement in our Transportation Stewardship Index</p> <p>World-Leading Operations Performance</p> </div> <hr/> <div> <p>Increased our Environmental Stewardship Index by 20 percentage points over 2019</p> </div> <hr/> <div> <p>Shared our Collaborative Action Toolkit through Keystone Policy Center</p> <p>Leading the Blueprint</p> </div>	<div style="margin-bottom: 20px;"> <p>81% to our 2035 commitment to enable 100% of Dow products sold into packaging applications to be reusable or recyclable</p> </div> <hr/> <div> <p>3X GROWTH IN PRODUCT SALES based on renewable bio-based feedstocks in 2020 year-over-year</p> </div> <hr/> <div> <p>LAUNCHED POST-CONSUMER RECYCLED PLASTIC RESINS for various applications globally</p> </div>	<div style="margin-bottom: 20px;"> <p>Announced power purchase agreements, expanding Dow's existing access to renewable power by >50% to >800 MW, advancing the company's position as the industry-leading purchaser of renewable power</p> </div> <hr/> <div> <p>Initiated a joint development with Shell to develop electrified cracking technology powered by clean energy</p> </div>

GOVERNANCE

BOARD OF DIRECTORS:
55% women or **U.S. ethnic minorities**

ESG METRICS
Added to the **Executive Compensation program** and the **2020 Performance Award** for all employees

4 NEW BOARD DIRECTORS APPOINTED SINCE 2020:
Gaurdie Banister Jr., Debra L. Dial, Luis Alberto Moreno, and Jill S. Wyant enhance the diverse perspectives and deep expertise of our Board

DOW'S SENIOR LEADERSHIP has the **highest percentage of U.S. ethnic minority representation** and second highest percentage of women leaders compared to industry peers*

For a detailed list of our industry peers, see the Definitions section of the Appendix of the [Dow Annual Report](#).

Joined the **BOARD DIVERSITY ACTION ALLIANCE**

* As of June 2021

Any information relating to forward looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



2020 Highlights

INCLUSION & DIVERSITY

\$1MM

five-year commitment to the Congressional Black Caucus Foundation's **National Racial Equity Initiative**

Included in the company's \$10MM+ Dow ACTs commitment



Achieved highest-ever overall **employee satisfaction**

\$5MM

pledge to Historically Black Colleges and Universities to **enhance the Black STEM talent pipeline**

Included in the company's \$10MM+ Dow ACTs commitment

\$250,000

in ALL *IN* ERG Fund competitive grants to extend our Dow Employee Resource Group impact via **nonprofit inclusion, diversity and equity efforts in our communities**



LAUNCHED DOW ACTs to address systemic **racism** in our company and communities, committing **\$10MM+** over 5 years



Global Employee Resource Groups

+2,000
new participants



Introduced new **military degree equivalency program** in the U.S. and Canada

Retained **83%** of our **diverse suppliers** from 2019

COMMUNITY **\$33.6MM IN TOTAL CONTRIBUTIONS**

Community Engagement



#PullingOurWeight Cleanups

6,400+
participants volunteered and collected

>1.2MM
pounds of waste



13,800+
employees volunteered around the world



>850
grants delivered globally

COVID-19 & Disaster Relief

>\$4MM

committed to aid **COVID-19 relief efforts** worldwide



\$1.6MM

in product donations to provide **personal protective equipment, sanitizer, and safety and education support**

\$1MM

committed for **hometown flood recovery disaster relief**

Student & Teacher Support

\$285,000

donation to **DonorsChoose** to support classroom needs in Dow communities; **519 projects** supported learning experiences for **41,341 students** in **127 schools**

Included in the company's >\$4MM COVID relief commitment

210

FIRST® Robotics teams across the U.S. funded and supported by ~130 Dow volunteers

\$10.9MM

donated for **STEM programming** and partnerships globally



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2020 Awards and Recognitions

<p>Named one of America's most JUST companies by Forbes and JUST Capital</p>			<p>Recognized with five R&D 100 Awards, marking the seventh consecutive year to receive more awards than any other company</p>		<p>Dow Europe ranked #8 by the Financial Times among the 850 top companies for diversity and inclusion practices</p>	<p>Won four Edison Awards for breakthrough technologies</p>	
	<p>Moved up 15 places to #22 on DiversityInc's Top 50 Companies for Diversity list</p>	<p>Awarded the National Safety Council Green Cross for Safety® Innovation Award</p>		<p>Recognized with two Sustainability Product of the Year awards from the Business Intelligence Group (BIG) for ECOFAST™ Pure Sustainable Textile Treatment and SunSpheres™ BIO SPF Booster</p>			<p>15th consecutive year of receiving a perfect score on HRC's Corporate Equality Index</p>
<p>Named one of the 2020 PEOPLE's "50 Companies that Care" by Great Place to Work™ and PEOPLE Magazine</p>			<p>Recognized with three American Chemistry Council Responsible Care® Awards for projects that minimized energy use and waste</p>		<p>Great Place to Work® Certified in eight countries: Brazil, Canada, Colombia, India, Mexico, Saudi Arabia, United Arab Emirates and the U.S.</p>	<p>Chemical Week Won Chemical Week's Best Sustainable Product Award for the RENUVA™ Mattress Recycling Program</p>	
	<p>Fourth consecutive year to be among Best Places to Work for Disability Inclusion</p>	<p>Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA</p>	<p>Named to the Dow Jones Sustainability World Index for the 21st year</p>		<p>Won the BIG Sustainability Initiative of the Year for Dow's Carbon Partnership with the International Olympic Committee</p>		
			<p>Selected as a finalist in the Business Transformation and Circular Innovation categories in the Reuters Events Responsible Business Awards 2020</p>				



OUR BUSINESS:
INNOVATING FOR A
SUSTAINABLE TOMORROW



Company Profile GRI 102-5, 102-7

We are Dow, and we create innovative and sustainable materials science solutions to advance the world. Every answer starts with asking the right questions. This is why our diverse, dedicated team collaborates with customers and other stakeholders to find solutions to the world's toughest challenges.

Dow Inc. had 743.9MM shares of common stock outstanding as of January 31, 2021.

CHANNELING DOW'S MATERIALS SCIENCE EXPERTISE AS WE COLLABORATE AND INNOVATE WITH CUSTOMERS AND PARTNERS TO CREATE SOLUTIONS THAT POSITIVELY IMPACT THE WORLD

PACKAGING

Providing solutions to keep foods fresher and deliver high-performing, durable, lighter-weight and recyclable packaging

INFRASTRUCTURE

Enhancing energy efficiency, circularity and durability in building and construction, appliances, adhesives, lubricants, and wire and cable

CONSUMER

Meeting consumers' needs for innovative, convenient and more sustainable home and personal care solutions

MOBILITY

Delivering solutions for lighter weight, longer range, comfort, safety and lower carbon footprint for vehicles that are connected, autonomous, shared and electric

ADDRESSING GLOBAL MEGATRENDS

CLIMATE CHANGE AND RESOURCE SCARCITY

↑ 60% food needed to feed **9.7B** people by 2050

↑ 50% GHG emissions, driven by energy demand in emerging economies



Sources: OECD; European Commission; United Nations

MIDDLE-CLASS GROWTH

Global middle class is expected to reach

5.5 BILLION
by 2030



DIGITAL TRANSFORMATION

Worldwide spending on digital transformation will reach

\$6.8 TRILLION
between 2020 and 2023



URBANIZATION

By 2045, the world's urban population will increase by

1.5X
to 6 billion people; cities face systemic urban challenges in a post-COVID society



\$39B
2020 net sales

~35,700
employees

106
manufacturing sites

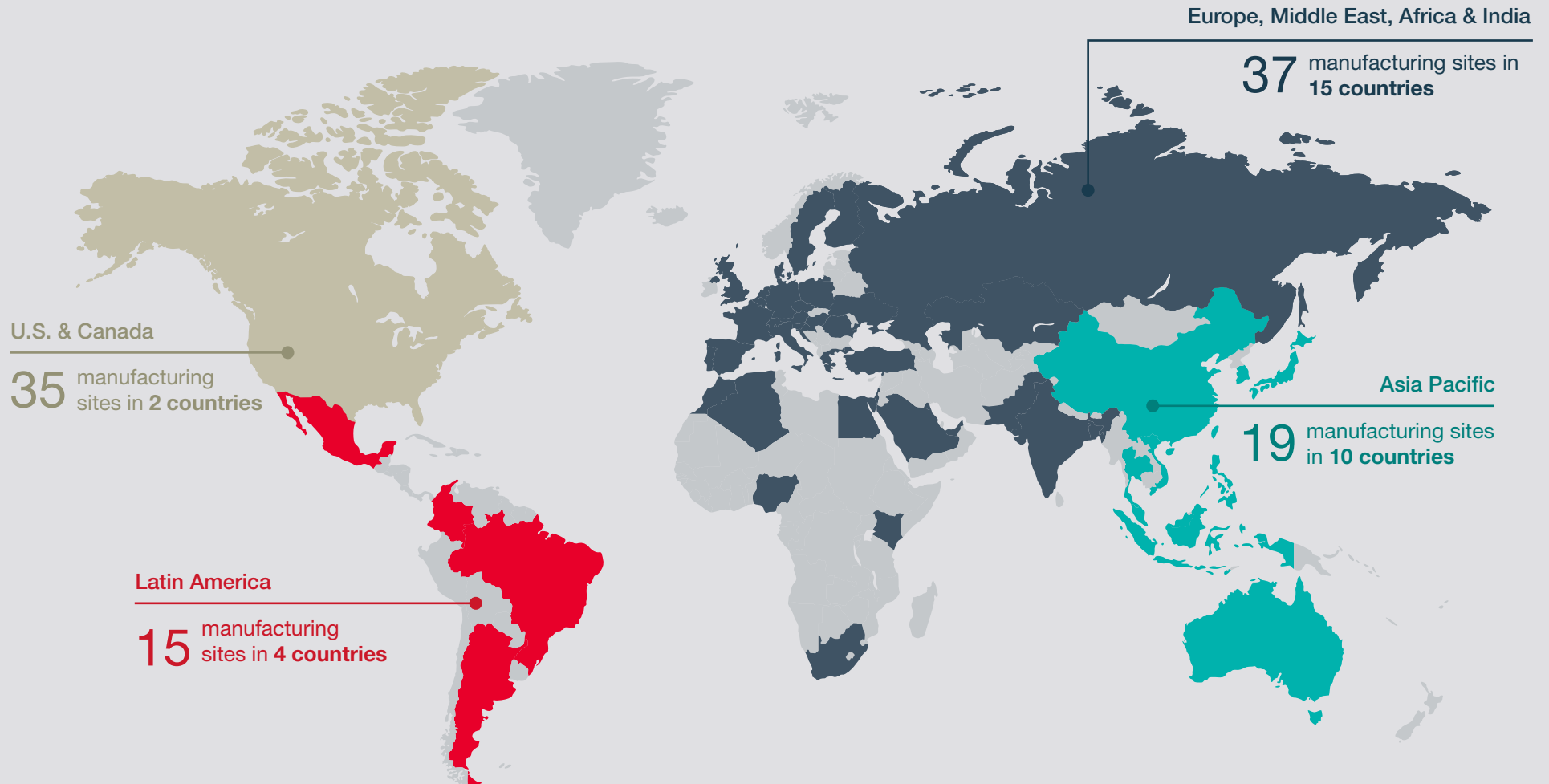
31
countries in which Dow manufactures products





Location and Number of Operations GRI 102-3, 102-4, 102-7

Dow operates 106 manufacturing sites in 31 countries, with global headquarters in Midland, Michigan. Major manufacturing operations are located in Argentina, Brazil, Canada, China, Germany, the Netherlands, Spain, Thailand, the United Kingdom and the United States.

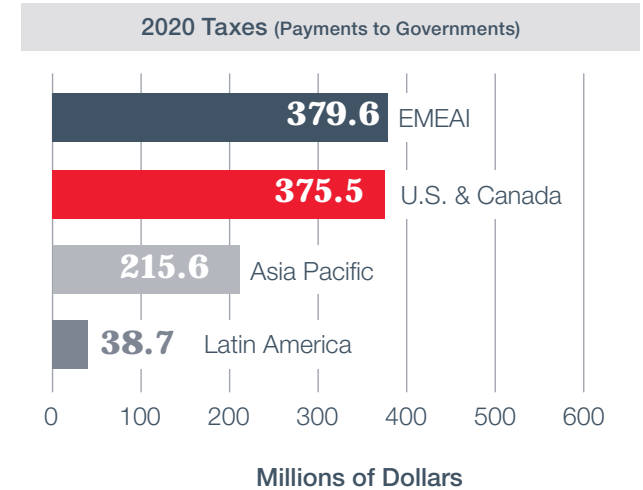




2020 Business Highlights

2020 Business Summary GRI 102-7, 201-1, 201-103

Financial Highlights (Millions of Dollars)		
Economic value generated, distributed and retained	2020	2019
Net sales	\$38,542	\$42,951
Pro forma net sales		\$42,998
Operating EBIT ¹	\$2,715	
Pro forma operating EBIT ¹		\$4,352
Operating costs	\$27,856	\$31,534
Wages/benefits	\$5,637	\$5,322
Payments to providers of capital	\$2,962	\$3,098
Payments to governments	\$1,009	\$1,386
Philanthropic/community investments ²	\$34	\$34
Economic value retained	\$1,044	\$1,577 ³
Total debt	\$17,107	\$16,996
Total equity	\$13,005	\$14,094
Total capitalization	\$30,112	\$31,090



>\$1.5B
of non-operational cash
tailwinds delivered in 2020

\$2B
ANNUAL
DIVIDEND
Industry-leading
quarterly dividend

112%
Cash flow conversion¹;
increased 3,400 basis
points year-over-year

↓ Reduced net debt¹ by
>\$2.6B
an 18% decrease
year-over-year

\$14.6B
Total cash and available
committed liquidity –
a 36% increase over the
end of 2019

Details of the company's management approach to economic performance can be found in the company's year-end financial statements within the 2020 Dow 10-K, which can be downloaded [here](#).

¹ Non-GAAP measure. For definitions and reconciliation to the most directly comparable U.S. GAAP measure, see the supplemental information in the [appendix of this Report](#) and also on [investors.dow.com](#) under Reporting.

² Includes charitable cash and in-kind donations and represents only a portion of the total value of Dow community contributions, which also includes volunteer time as well as other forms of financial support.

³ Update of the value \$1,758 from the table on page 11 of the 2019 Sustainability Report. The original value was the result of an arithmetic error in that table.





Business Segments and Products GRI 102-2, 102-6

Dow conducts its worldwide operations through six global businesses that are organized into the following operating segments: Packaging & Specialty Plastics, Industrial Intermediates & Infrastructure, and Performance Materials & Coatings. Our portfolio of plastics, industrial intermediates, coatings and silicones businesses delivers a broad range of differentiated science-based products and solutions in high-growth market segments, such as packaging, infrastructure, mobility and consumer care.

Packaging & Specialty Plastics

\$18,301MM



Performance Materials & Coatings

\$7,951MM

Industrial Intermediates & Infrastructure

\$12,021MM

Corporate: \$269MM

Driving Advances in Mobility

The future of mobility is smart, clean and electric-powered. In 2020, we launched the Dow MobilityScience™ platform to focus our materials science capabilities and industry expertise on technologies and services that address the megatrends transforming the transportation industry.

These trends include:

E-MOBILITY: Low-carbon emissions are the driving force behind the electric car. In 2019, sales of electric cars topped 2.1 million globally, accounting for a 40% year-on-year increase over 2018, according to the International Energy Agency. Our advanced materials are designed to contribute to lighter, long-lasting batteries for electric vehicles in important ways by addressing thermal management, reducing weight, and encapsulating components and sensors, for example.

CONNECTIVITY: The car of tomorrow has been referred to as the “ultimate mobile device,” as vehicle connectivity is surging. Our technologies are helping make 5G, touchscreens and display sensors more reliable, readable, affordable and responsive. One example is our DOWSIL™ electrically conductive materials, which shield against electromagnetic interference.

AUTONOMOUS: Pioneers in autonomous driving and vehicle design are requiring solutions to make advanced driver-assistance (ADAS) and light detection and ranging (LIDAR) systems, sensors and cameras more affordable, reliable and responsive. Our electrically conductive and thermally conductive silicone materials help bond, seal, protect, relieve stress, improve processing, boost performance and dissipate heat, among other benefits.



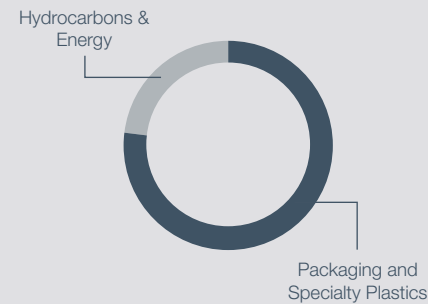


Packaging & Specialty Plastics

Packaging & Specialty Plastics consists of two highly integrated global businesses: Hydrocarbons & Energy and Packaging and Specialty Plastics. The segment employs the industry's broadest polyolefin product portfolio throughout the value chain to deliver more reliable and durable, higher-performing and more sustainable plastics to customers. Applications include food and specialty packaging; industrial and consumer packaging; health and hygiene; caps, closures and pipe applications; consumer durables; mobility and transportation; and infrastructure.



2020 Net Sales by Business



Success Enablers

-  World-class packaging franchise
-  Industry's most flexible feedstock capability
-  Proprietary catalyst and process technology
-  Global, low-cost footprint
-  Pack Studios capabilities globally to work on sustainable innovation

Key Market Drivers

- Population growth and urbanization
- Growing middle class in emerging geographies
- Global demand for increased functionality and packaging recyclability
- Growth in telecommunications, infrastructure and renewable energy applications
- Lower environmental cost versus alternatives



Packaging & Specialty Plastics

Innovating for a Circular Future

Enabling Recyclability



INNATE™ TF Polyethylene Resins for Tenter Frame Biaxial Orientation provide high performance, excellent shelf appeal, and reduced plastic weight and recyclability.

Closing the Loop On Packaging



Experimental Low Density Recycled Polyethylene Resin for shrink film applications is made up 40% recycled content. This innovation helps companies reduce their carbon dioxide emissions and keep plastic waste out of the environment.

Bio-Based Feedstocks to Reduce Carbon



AFFINITY™ RE is made using bio-based feedstock such as tall oil – a byproduct created by the paper-milling industry and sourced from sustainably managed forests and certified on a mass balance basis by the International Sustainability & Carbon Certification (ISCC) system.

Optimizing Renewable Energy



ENGAGE™ PV Polyolefin Elastomers increase power generation, reliability and service life of photovoltaics while reducing total systems costs.

Lightweighting in Mobility



Products such as **ENGAGE™ Polyolefin Elastomers**, **NORDEL™ EPDM** and **FUSABOND™** functionalized polymers help create durable, lightweight products that reduce greenhouse gas emissions in transportation applications.

Sustainable Infrastructure



Applications such as **DOWLEX™ PE-RT** for piping, **ENGAGE™ Polyolefins** for roofing and **ELVALOY™ Reactive Elastomeric Terpolymers** for incorporating recycled plastics in roads offer opportunities to create more sustainable infrastructure.

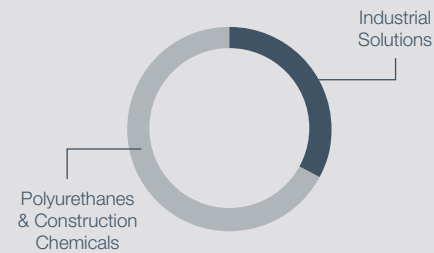


Industrial Intermediates & Infrastructure

Industrial Intermediates & Infrastructure consists of two customer-centric global businesses – Industrial Solutions and Polyurethanes & Construction Chemicals – that develop important intermediate chemicals that are essential to manufacturing processes, as well as downstream, customized materials and formulations that use advanced development technologies. These businesses offer customers value-added sustainable solutions to enhance comfort, energy efficiency, product effectiveness and durability. Applications address a wide range of sectors, including home comfort and appliance, building and construction, and adhesives and lubricants, among others.



2020 Net Sales by Business



Success Enablers

-  Leading producer of propylene oxide, polyols & purified ethylene oxide
-  Strong formulation & application capabilities
-  Sustainability-focused innovation
-  Unique hybrid chemistry solutions
-  Solution provider in polyurethanes, ethoxylates, solvents, amines, silicones, acrylics, latex powders & cellulose

Key Market Drivers

- Population and middle-class growth, urbanization
- Environmental sustainability
- Energy and construction efficiency, quality and durability
- Health and wellness
- Responsible consumerism and comfort
- Future mobility trends
- Digitalization and customization



Industrial Intermediates & Infrastructure

Enhancing Value Chain Sustainability

Enabling Energy Efficiency in Appliances



PASCAL™ Technology is a polyurethane system for appliance manufacturers that enables up to 10% greater energy efficiency while improving product line productivity.

Addressing Water Use & Quality in Cotton Dyeing



ECOFAST™ Pure Sustainable Textile Treatment addresses key sustainability challenges in the industry by reducing process chemicals by up to 90% and water use by up to 50% in cotton dyeing.

Closing the Loop on Mattress Waste



RENUVA™ Mattress Recycling Program works with the value chain to take discarded mattress foam and convert it back to a polyol that can be used to make new flexible or rigid foam products.

Helping Meet Near-Zero Energy Standards



Building sandwich panels made with **V PLUS PERFORM™ insulation technology** provide better fire safety protection and contribute to near-zero energy standards in buildings.

Enabling Solar Energy



DOWTHERM™ A Heat Transfer Fluid is a thermally stable synthetic organic heat transfer fluid, designed to collect, transport and store heat in concentrated solar power systems.

Developing More Sustainable Alternatives for Industrial Cleaners



ECOSURF™ Surfactants are readily biodegradable. Many are on the U.S. EPA's CleanGredient™ list. As a sustainable alternative, they contribute to Dow's Safe Materials for a Sustainable Planet Goal.

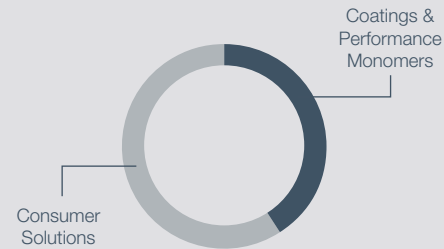


Performance Materials & Coatings

Performance Materials & Coatings includes industry-leading franchises that deliver a wide array of solutions into consumer and infrastructure end markets. The segment consists of two global businesses: Coatings & Performance Monomers and Consumer Solutions. These businesses primarily utilize the acrylics-, cellulose- and silicone-based technology platforms to serve the needs of the architectural and industrial coatings; home care and personal care; consumer and electronics; mobility and transportation; industrial and chemical processing; and building and infrastructure end markets.



2020 Net Sales by Business



Success Enablers

-  World-class silicones franchise
-  Leading coatings solutions provider
-  One of the largest B2B digital platforms
-  Global footprint at target markets
-  In-depth market and industry expertise
-  High-performance materials enabling sustainability solutions

Key Market Drivers

- Sustainability
- Productivity and energy efficiency
- Globalization and urbanization
- Digitalization and customization



Performance Materials & Coatings

Sustainable Innovations for People and Our Planet

Silicone-Enhanced Polymer Systems



AMPLIFY™ Si PE 1000 Polymer System for plastic composite applications enables the use of recycled plastic fillers, while reducing the energy use and carbon footprint of the manufacturing process.

High-Performance Buildings



DOWSIL™ structural glazing and weather-proofing adhesives and sealants enable design freedom to create and renovate buildings that are both beautiful and energy efficient.

Electric Vehicle Solutions



DOWSIL™ thermally conductive silicone technologies enable lightweight protection, high thermal conductivity and thermal stability for efficient electric vehicle batteries.

Biodegradable, Bio-Based Ingredients



Bio-based and biodegradable **SunSpheres™ BIO SPF Booster** enables greater SPF efficiency in sun-care and daily-wear SPF products. Derived from PEFC*-certified wood pulp, it works with organic and inorganic UV filters.

Solvent¹-Free Pressure Sensitive Adhesives



DOWSIL™ 2013 Adhesive is a solventless pressure sensitive adhesive that offers the ability to prepare pressure sensitive transfer films and labels at low curing temperatures.

Cleaner-Air Coatings



PRIMAL™ RN Bio-Based Acrylic Emulsions are produced with a percentage of carbon from plants and can be designed to remove formaldehyde, helping improve indoor air quality.

* Programme for the Endorsement of Forest Certification (PEFC)

¹ Solvents such as benzene, toluene and xylene



Instilling ESG Priorities into Our Business Practices: Project Ybá

At the heart of the strategy for our Dow Business Impact Fund is the belief that addressing social and environmental challenges can drive business results – benefiting both our customers and the communities in which we operate. Our newly launched Project Ybá in Brazil demonstrates exactly this by empowering Amazon communities to protect biodiversity and generate jobs.

PROJECT YBÁ – CONSERVATION THAT TRANSFORMS

At our Breu Branco manufacturing site, we have a silicon metal facility, which produces the main raw material used in silicones production. At the site, Dow owns 45,000 hectares of land – about 80% of which is preserved native Amazon rainforest and about 20% of which is a eucalyptus plantation. Charcoal used in silicon metal production is made from eucalyptus sustainably cultivated and harvested from the plantation per Forest Stewardship Council guidelines.

It is against this backdrop that we launched Project Ybá with support from Dow's Business Impact Fund. Implemented in collaboration with the Peabiru Institute, this innovative project will map the biodiversity of the forestland for bioactive ingredients and develop a local cooperative that will harvest and sell them. We also are collaborating with The Nature Conservancy to

measure the environmental services offered to the community through Dow's preserved areas. More than 150 families in the region are expected to benefit through employment in a sustainable industry. In turn, our customers will benefit from sustainably sourced bioactive ingredients for their personal care products, while also supporting the conservation of this unique ecosystem.

The project is receiving an investment of \$1 million reais (~US\$200,000) from our Business Impact Fund. The Business Impact Fund is a competitive grant program containing more than US\$1 million of annual funding to support social impact projects in partnership with nonprofit or non-governmental organizations that spotlight business solutions. Since 2016, the Impact Fund has awarded \$5.77 million for projects around the globe.

Project Ybá

Project Description:

Develop a local cooperative with the aim of income generation through forest preservation. The project will map the biodiversity within the Breu Branco site's 38,000 hectares of rainforest for bioactive ingredients by 2023.

Collaborators:

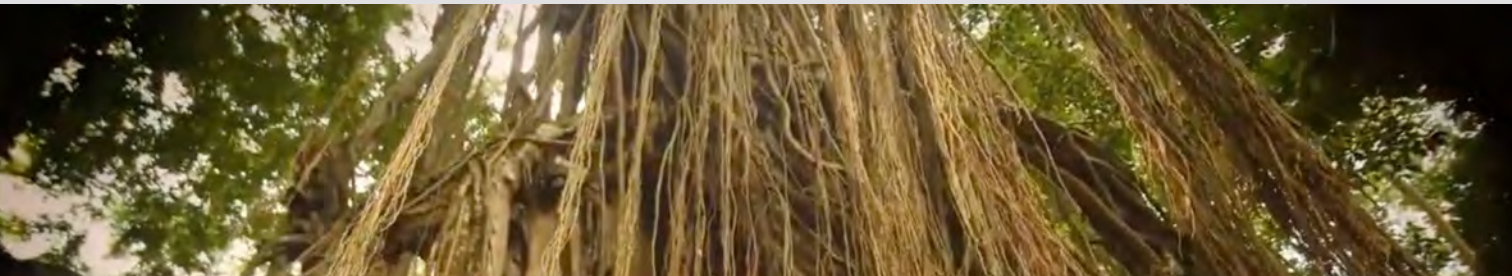
Peabiru Institute and The Nature Conservancy

Environmental & Social Benefits:

- Protects biodiversity
- Enhances local economic diversity and growth
- Demonstrates the higher value of forest preservation over the alternative of deforestation

Business Benefits:

- Explores bioactive ingredients demand
- Promotes collaboration with customers for potential joint innovation





ENVIRONMENTAL PERFORMANCE:
INROADS FOR SUSTAINABLE
DEVELOPMENT



Our Focus Areas: Accelerating Our Actions to Protect the Planet

The world is at a critical juncture and needs environmental leadership from all sectors. As a leading materials science company, we have the responsibility and opportunity to take action and lead the industry in areas that our science and expertise can make a difference. We believe what is good for society and the environment also will be good for our company. That is why we have integrated sustainability across our businesses and are collaborating across the globe to make inroads in the transition to a sustainable economy and society.

OUR SUSTAINABILITY STRATEGY

We have identified three focus areas where we believe we can make the biggest difference and drive industry-wide change. These areas get to the heart of our license to operate and represent areas where we are using our science, size and global relationships across our value chains to seek and create shared opportunity for Dow and society. These focus areas are climate protection, circular economy and safer materials.

To accelerate our sustainability agenda, we announced new, multi-decade targets in 2020 to put us on a path to achieve carbon neutrality and eliminate plastic waste. These new targets align to and build upon our 2025 Sustainability Goals – 10-year commitments aimed at magnifying our company's positive impact through collaboration with like-minded partners.

OUR FOCUS AREAS



Climate Protection

As both a **major user of energy and producer of technologies that are essential to a lower-carbon future**, we have a responsibility to act.



Circular Economy

As **one of the world's largest producers of plastic**, we have an opportunity to take a leading role in supporting a more circular economy and ending plastic waste.



Safer Materials

As a world-leading materials science company, we can play a role in innovating materials that bring social and environmental value alongside business value.



Contributing to Climate Protection

The transition toward a low-carbon economy remains one of the fundamental challenges of our society. At Dow, we have set an ambitious target of being carbon neutral by 2050. As a large producer and consumer of energy, this is a complex challenge and one we are determined to meet. In addition to continuously finding ways to reduce emissions from our operations, we are collaborating to invest in new technologies and processes that will decarbonize our industry. At the same time, we are helping our customers reduce their emissions by innovating lower-carbon products.

OUR TARGETS

In 2020, as a tangible demonstration of our commitment to reduce emissions, Dow announced the following climate protection targets.



Protect the Climate

By 2030, Dow will reduce its net annual carbon emissions by 5 million metric tons vs. its 2019* baseline (15% reduction). By 2050, Dow aspires to be carbon neutral (Scope 1 + 2 + 3 plus product benefits). [See our progress.](#)



These carbon targets are in addition to our 2025 Sustainability Goals, which have the following climate-related objectives:

Dow will obtain **750 MW** of its power demand from **renewable sources** by 2025

Though we will grow globally over the next 10 years, Dow's absolute **greenhouse gas emissions will not exceed our 2006 baseline**

Any information relating to forward looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

* Baseline reset from 2020 to 2019 due to the impact of COVID-19 on operations and production volumes. The baseline represents Scope 1 + 2 emissions in 2019, adjusted for outliers (e.g., abnormal numbers of scheduled turnarounds/outages or unusually high production volume at a plant, etc.). The value of the baseline equals 34.7 million metric tons of carbon dioxide equivalent (CO₂e).



Contributing to Climate Protection

ALIGNMENT TO THE PARIS AGREEMENT

Dow accepts the scientific consensus that climate change caused by increasing greenhouse gas (GHG) emissions from human activity has serious consequences for the planet and society if left unaddressed. We also support the Paris Agreement and are committed to achieving its goal of keeping global temperature rise well below 2°C, and to pursue efforts to limit the increase to 1.5°C.

We have been working with internal and external stakeholders to understand how a materials science company such as Dow can best demonstrate and enact our commitment to decarbonization in line with climate science. Some technologies needed for deep decarbonization, such as carbon capture, usage and storage, are not yet available at scale, which limits our ability to tackle this problem in the short term. However, through investments in longer-term innovation, such as electrifying ethylene steam crackers and circular economy projects, we are committed to transitioning to cleaner manufacturing facilities by 2050 and enabling positive climate impact across value chains through recycled feedstocks and product innovations.



Working to Scale “E-Cracker” Technologies

In 2020, we initiated a joint development agreement with Shell to develop electrified cracking technology that could be powered by clean energy, a breakthrough that could dramatically reduce emissions across the industry. Ethylene steam crackers supply chemicals used to make products that people use every day. However, today’s steam crackers rely on fossil fuel combustion to heat their furnaces, making them CO₂ intensive.

Using renewable electricity to heat steam cracker furnaces could become one of the routes to help decarbonize the chemicals industry. The challenge is to develop a technologically and economically feasible solution.

Currently, innovation project teams from both Dow and Shell in Amsterdam and Terneuzen in the Netherlands and in Texas in the United States are working to design and scale “e-cracker” technologies. A goal is to test the process technology innovations in pilot operations, and then scale to commercial crackers.



Roadmap to 2030

We have a viable roadmap to achieving our 2030 carbon reduction target.



Climate Protection

Elements of Climate Protection Action Plan

Optimizing Our Facilities and Processes

Increasing Renewables in Our Purchased Power Mix

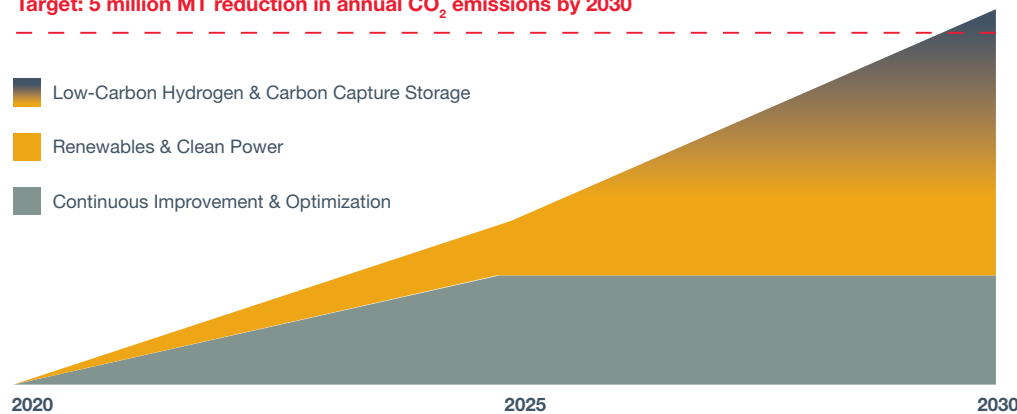
Evaluating Investments in Carbon Capture, Usage and Storage

Developing Low-Carbon Technologies for Emissions Reductions

Deploying Materials to Help Reduce Emissions for Customers and Industries

Viable Roadmap to 2030 Carbon Emissions Reduction Target

Target: 5 million MT reduction in annual CO₂ emissions by 2030

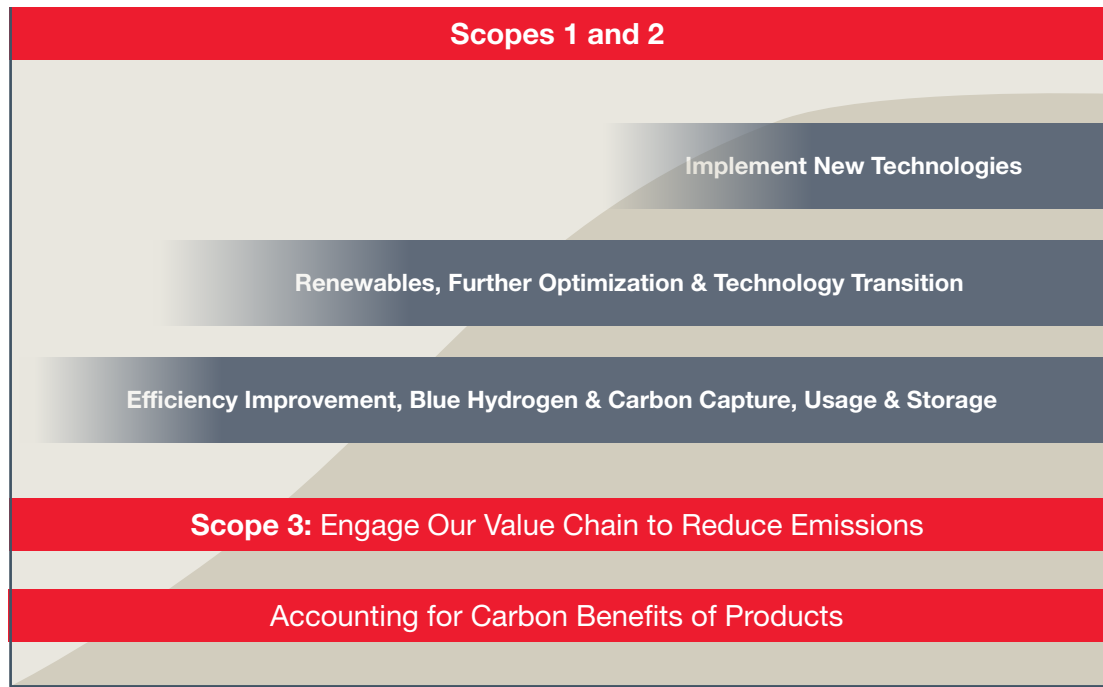




Roadmap to 2050

On our path to carbon neutrality by 2050, we want to build on the progress we've made to date. We'll do this by **optimizing current manufacturing assets** with technologies that enable us to make meaningful progress, **implementing transitional technologies** that will allow us to meet increasing regulations and customer needs, and **innovating next-generation technologies** for emissions-free manufacturing.

EMISSIONS REDUCTIONS TOWARD
OUR CARBON-NEUTRAL AMBITION



2020 → 2050





2020 Progress

We are taking significant actions to advance our climate protection commitments. In 2020, we:

Executed energy efficiency and GHG emissions **optimization projects**, saving an estimated **2.27MM GJ/yr** and **400,000 metric tons** of CO₂ emissions annually

Expanded access to renewable power by **>50% to >800 MW**, surpassing our 2025 Sustainability Goal of obtaining 750 MW of our power demand from renewable sources



Lower-emissions ethylene: Initiated a joint development with Shell to **develop electrified cracking technology powered by clean energy**



Improved the **automation and accuracy of tracking our Scope 1 and 2 emissions**



UNIFINITY™ dehydrogenation process technology for propane at Plaquemine, LA. Installing proprietary technology into a mixed-feed cracker to produce on-purpose propylene, **reducing energy use and GHG emissions** by up to 20%

Industry collaborations on carbon storage and hydrogen:

- Founding member of Gulf Coast Carbon Collaborative (U.S.)
- Member of Carbon Connect Delta (the Netherlands)



Climate Management Framework

Board of Directors
(Environmental, Health, Safety & Technical Committee of the Board)

Executive Leadership Team

Reporting, Policy, Public Affairs, Investor Relations

Risks, Scenarios, Technology, Transformation

Capital Projects Implementation

Project Management Teams



Lowering Customers' Carbon Emissions

Many of Dow's products lower customers' emissions more than the carbon emissions used to produce them. Our materials science solutions are essential to lighter and more fuel-efficient vehicles, more energy-efficient buildings and renewable energy, among other technologies.



Energy-Efficient Buildings

DOWSIL™ Silicone Sealants have played a key role in the construction of the world's tallest buildings, enabling design freedom and enhancing energy efficiency and safety. Silicone sealants for buildings reduce emissions ~200 kilograms carbon dioxide equivalent (CO₂e) per kilogram of silicone, lowering the world's carbon emissions by an estimated 10 million metric tons.

Our polyurethanes enable higher building and energy efficiency by providing thermal insulation, lowering the carbon emissions globally by an estimated 248 million metric tons. For example, our **V PLUS PERFORM™ panel insulation technology** contribute to LEED v4 and BREEAM green building ratings and help designers improve thermal performance of buildings.

PRIMAL™ Bio-Based Acrylic Emulsion for paint and coatings uses a percentage of carbon from natural plants, replacing fossil for raw material sources, which leads to a lower carbon footprint. It also can be designed to remove formaldehyde, helping improve indoor air quality.

Renewable Energy

DOWTHERM™ A heat transfer fluid enables concentrated solar facilities, which provide clean energy to more than 500,000 homes.

ENGAGE™ PV Polyolefin Elastomers (POE) contribute to exceptional long-term performance, reliability and lower overall costs for photovoltaic encapsulants. This helps solar panels last longer, lowering the world's carbon emissions by an estimated 11 million metric tons.

Automotive and Transportation Solutions

DOWSIL™ EC-6601 Electrically Conductive Adhesive offers a step change in performance of electrically conductive adhesives, critical for autonomous driving, cameras and 5G base station applications.

ACOUSTICRYL™ Acrylic Resins are a water-borne, liquid-applied sound-dampening technology, offering exceptional noise reduction and up to 35% lower weight than comparable coatings.

ENGAGE™ 11000 Polyolefin Elastomers have superior impact efficiency and thermal properties that enable automotive-part lightweighting and metal replacement, contributing to improved safety, reduced CO₂ emissions for conventional cars and increased range for electric vehicles.

FUSABOND™ N Functional Polymer helps polyamide compounders develop high impact-resistant materials as an alternative to metal to produce durable and lighter-weight automotive parts.



Climate Risks and Opportunities GRI 201-2

Climate change poses both opportunities and risks for Dow. We see an opportunity for our industry to generate the solutions needed to transition to a low-carbon economy. Our products often can reduce GHG emissions more than the carbon footprint used to manufacture them, and we continue to align investments in our product R&D with a low-carbon future. We also see continued opportunities to improve the carbon footprint of our operations – by sourcing cost-competitive renewable power, improving raw material efficiency and implementing low-carbon technologies.

At the same time, we are an energy-intensive company and, as such, transitional risks such as regulatory changes focused on energy and emissions are of importance to us. Reducing our overall energy usage and GHG emissions by optimizing our facilities and implementing new technologies will decrease the potential impact of energy- and emissions-focused regulations. We also are collaborating with industry associations to support regulatory measures to address climate change. For example, we support carbon emissions pricing, but with a realistic approach to allowances allocation, carbon leakage, technological limits and cross-industry projects. In addition, Dow proactively incorporates a carbon emissions price into business planning and risk management strategies for all jurisdictions where Dow operates, including those without existing carbon emissions pricing legislation.

Climate change may also result in physical risks, such as more frequent incidents of severe weather, or contribute to chronic impacts such as long-term change in precipitation patterns. Engineering our facilities to better withstand acute impacts of severe weather and addressing water availability, especially at our water-stressed sites, are of particular importance to enabling continued, safe operation of our facilities. We continue to study the long-term implications of changing climate parameters on water availability, plant siting issues, and impacts and opportunities for products.



Taking into Account the Carbon Benefits of Products

We are joining Columbia University's Center on Global Energy Policy and The Nature Conservancy in launching a new project to calculate the environmental benefits of products and technologies that reduce or eliminate harmful greenhouse gases that contribute to climate change.

The Center on Global Energy Policy will investigate the potential for new methods that quantify and measure carbon emissions reductions across full product life cycles. The project will engage key stakeholders representing environmental groups, industry, academia, and data and accounting firms to develop new tools for decision-makers to accelerate global progress toward 2030 and 2050 emissions targets.

The Greenhouse Gas Protocol Standards developed by the World Resources Institute and the World Business Council for Sustainable Development are the most comprehensive and widely used global standards for companies to measure and report their greenhouse gas emissions. The Corporate Value Chain Scope 3 Accounting and Reporting Standards measure indirect emissions that result from activities and assets not controlled or owned by the reporting organization across its value chain. This project will study and build on existing methodologies to account for value chain emissions reduced or eliminated by innovative products and services, including the role that materials and sustainable applications can play in achieving emissions reductions.



Climate Risks and Opportunities GRI 201-2

SCENARIO ANALYSIS: EVALUATING RISKS AND OPPORTUNITIES

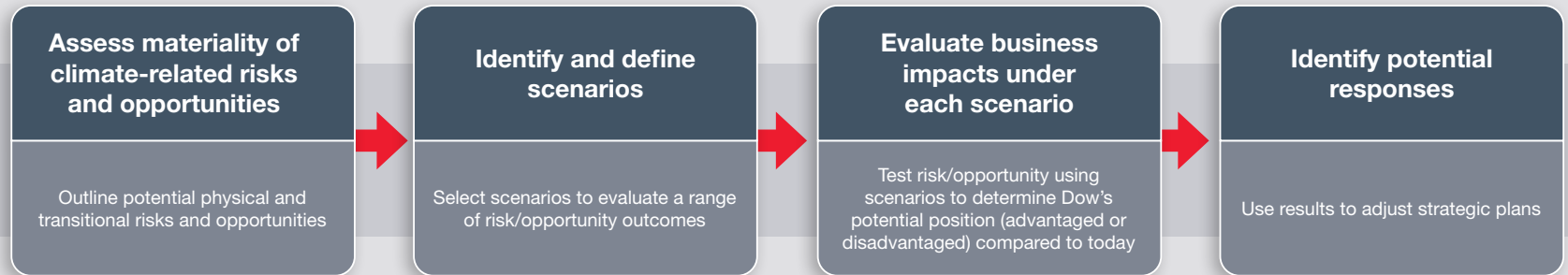
In 2020, Dow initiated a climate-related scenario analysis focused on evaluating transitional and physical risks, as well as opportunities. The analysis uses two boundary scenarios – one where global ambition aligns to the International Energy Agency (IEA) Sustainable Development scenario of decarbonizing the economy, and another that aligns to the Regional Rivalry Shared Socioeconomic Pathway (SSP) 3.0, which explores a more uneven path to decarbonization. Scenarios are selected in an effort to test the boundaries of possible futures and help us understand how Dow’s current portfolio may perform under different possible future states, which in turn informs strategic decisions for the company. For example, in the Sustainable Development scenario, Dow’s cost of regulatory compliance is higher than in Regional Rivalry, but our opportunities for the development of low-emissions goods and services and low-carbon technologies are much greater. We utilize these results to build the resiliency of our company as it relates to a variety of outcomes.

Summary Parameters of Externally Developed Scenarios Selected to Evaluate Climate Risk/Opportunity

Scenario Descriptions, 2050 Snapshot	Sustainable Development ¹	Regional Rivalry ²
Description	Coordinated path to decarbonization	Uneven path to decarbonization
Market Trends	Increased demand for solutions that mitigate climate change	Slower, regionally driven demand for solutions that mitigate climate change; greater market for climate adaptation products
Temperature Rise	<1.5°C	2.1°C
Carbon Price (USD/metric ton)	135	30
Renewable Energy (% of total primary energy)	47	17

¹ IEA Sustainable Development Scenario ² Regional Rivalry, Shared Socioeconomic Pathway 3.0, RCP6.0

Process to Evaluate Climate-Related Risks and Opportunities





Climate Risks and Opportunities GRI 201-2

This table outlines our potential risks and opportunities related to climate change, and which elements of our decarbonization strategy help mitigate the risk or capitalize on an opportunity.

Climate Risks and Opportunities		Elements of Dow's Climate Protection Action Plan Addressing Risk/Opportunity						
		Optimizing Our Facilities and Processes	Increasing Renewables	Investments in Carbon Capture	Innovating Low-Carbon Technologies	Deploying Materials to Help Our Customers Reduce Their Emissions		
Risk/Opportunity Type		Description						
Risks	Physical	Acute & Chronic	More frequent incidents of severe weather, or long-term changes in precipitation patterns	●				
	Transition	Regulatory	Carbon pricing mechanisms	●	●	●	●	
Opportunities		Technology	Transition to lower emission technology		●	●	●	●
		Resource Efficiency	Use of more efficient production and distribution processes	●			●	
		Products & Services	Dow products can enable the transition to a low carbon economy					●

We intend to build upon this evaluation to enable continued risk and opportunity assessments in 2021. We are working with S&P Global Trucost to conduct a more detailed analysis of our operations and to identify with more granularity the areas of exposure to physical hazards resulting from climate change. This analysis will focus on evaluating our manufacturing sites across the world using climate-modeling data to understand the potential impact of floods, water stress, heatwave, coldwave, hurricanes, sea level rise and wildfires.

U.S. Gulf Coast Facilities Exposed to Physical Climate Risk	
Gulf Coast Facility	Address
Plaquemine, LA	21255 Louisiana Highway 1 Plaquemine, LA 70764
Freeport, TX	2301 N. Brazosport Blvd. Freeport, TX 77541
St. Charles Operations	355 Highway 3142, Bldg 632, Hahnville, LA 70057
Seadrift, TX	7501 Highway 185 N. Seadrift, TX 77983
Deer Park, TX	909 Rohm & Haas Rd. Deer Park, TX 77536
Texas City, TX	3301 5th Ave S. Texas City, TX 77590
Sabine, TX	2739 Farm to Market Rd. 1006 Orange, TX 77630



Catalyzing Change Through Sport and Science

To address climate change, our society will need a variety of approaches: a circular economy, waste reduction, afforestation and reforestation, and lower-carbon technologies. It also needs collaboration.

Through sport and science, our carbon partnership with the International Olympic Committee (IOC) is purposely engaging across industry value chains to drive the adoption of best-in-class, lower-carbon technologies that go beyond current industry practices. Alongside customers and key partners, we are bringing our materials science innovations and carbon expertise to projects in building energy efficiency, packaging and recycling, and industrial applications. In this way, the partnership is encouraging broader adoption of solutions that reduce energy and materials consumption, enabling savings in carbon emissions.

The benefits of this project are for now and the future. As the IOC's Official Carbon Partner, we are committed to balancing the IOC's unavoidable operational carbon footprint through a portfolio of carbon mitigation projects that deliver third-party-verified climate benefits. As of January 2021, the combined impact from our projects is the reduction of greenhouse gas emissions by 856,859 metric tons of CO₂e. Beyond carbon mitigation, the partnership promotes how existing low-carbon solutions can have a long-term impact in reducing emissions. Learn more in our [2020 Carbon Partnership Report](#)².



© 2018 – Comité International Olympique (CIO) – KASAPOGLU, Mine



FOOD & PACKAGING

Food waste reduction: We worked with AEON Co., Asia's largest retailer, to introduce vacuum skin packaging (VSP) in Japan. The collaboration's objective is to reduce greenhouse gas (GHG) emissions and food loss through better packaging of carbon-intensive products such as meat and seafood. Enabled by Dow's ionomer technology, VSP results in less food waste over conventional packaging due to better protection during shipment, extended shelf life, less material waste and fewer preservatives.



BUILT ENVIRONMENT

Promoting best practices in high-performance building: To help drive the adoption of lower-carbon building technologies during the decision-making and design phase, we co-developed a methodology with South Pole and the design firm Arup to quantify how more sustainable design solutions impact GHG emissions reductions throughout a building's lifetime.



RENEWABLE ENERGY & INDUSTRY

Improving the efficiency of home appliances: We teamed up with one of the world's leading household manufacturers of refrigerators and freezers in China to create significant GHG emissions reductions through the adoption and utilization of our PASCAL™ Technology. The technology has successfully shown to notably reduce energy consumption and GHG emissions in the use phase, which represents more than 80% of the total environmental impact of large home appliances such as refrigerator-freezers.



SOIL & FORESTS

Restoring essential forest and wetland ecosystems: We are working with the non-profit Restore the Earth Foundation to replant 400 acres of bald cypress trees to help rebuild the lower Mississippi River Basin area. The project is expected to generate an estimated 80,000 metric tons of CO₂ emissions reductions and \$22 million in environmental, social and economic value in the region over a 40-year period, as estimated by Restore the Earth's EcoMetrics Model and outlined in its Cypress Reforestation Social Return on Investment Report.



Advancing a Circular Economy

Is a world without waste possible?

How does a company turn waste into a resource?

These are just two questions we are tackling as we transition to a circular economy, taking into account our products' life cycles from creation to use to disposal. Transitioning to a circular economy is vital to both preserving and protecting Earth's natural resources and to the success of our businesses. As such, we are investing in new product technology, value chain partnerships, business models and waste management infrastructure to discover and scale sustainable solutions that extend the useful life of materials and the resources that go into making them.

OUR TARGETS

In 2020, Dow announced the following targets to address plastic waste.



Stop the Waste

By 2030, Dow will help “stop the waste” by enabling 1 million metric tons of plastic to be collected, reused or recycled through its direct actions and partnerships.



Close the Loop

By 2035, Dow will “close the loop” by enabling 100% of Dow products sold into packaging applications to be reusable or recyclable.



In addition, our 2025 Advancing a Circular Economy Goal encourages us to keep materials at their highest value use for as long as possible. Our target is to implement six major circular projects by 2025. Our actions include:

Piloting renewable feedstocks

Applying closed-loop manufacturing

Recycling wastewater

CLOSING THE LOOP: IMPROVING WATER MANAGEMENT

In 2020, we participated in a collaborative effort initiated by the World Business Council for Sustainable Development (WBCSD) and the Beverage Industry Environmental Roundtable to develop a Water Circularity Metric tool that will help companies adopt more circular water practices in their operations. Our company was a key contributor to the effort, building on our longtime collaborative efforts to reuse local municipal wastewater at both our Terneuzen (Netherlands) and Tarragona (Spain) sites.

Mapping out each water user's interaction with a water basin and required water quality will help achieve a higher level of water circularity. It will also help facilitate the multi-user discussions that are needed to close circular water loops and drive a systems approach to watershed water management.

Any information relating to forward looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.





Creating a Circular World for Plastic

As one of the world's largest producers of plastic, we want to put an end to plastic waste. Eliminating plastic waste is about more than just recycling and reusing. It is about creating innovative solutions that are sustainable and investing in the circular economy through recyclability and efficiency for plastic packaging. We aim to keep plastic waste out of the environment and retain its value as a resource by increasing impact through partnerships and delivering circular economy solutions.

OUR PROGRESS

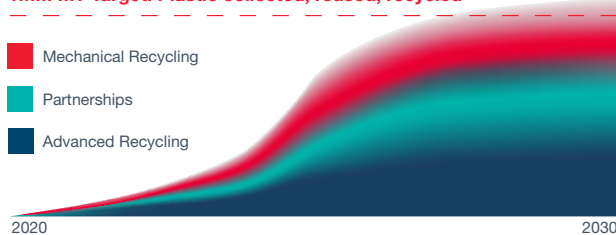


Stop the Waste

Our "stop the waste" goal is our commitment to invest and/or collaborate in key technologies and infrastructure to significantly increase global recycling.

- We are beginning progress through application development, where more recycled plastics can be incorporated into key applications; through critical partnerships such as Circulate Capital and the Alliance to End Plastic Waste; and through incorporating waste into advanced recycling technologies.
- In 2020, we achieved 8,298 metric tons toward our commitment to enable 1 million metric tons of plastic to be collected, reused or recycled by 2030. We are in the early stages of multiple partnerships and innovations to advance this target.

1MM MT Target: Plastic collected, reused, recycled



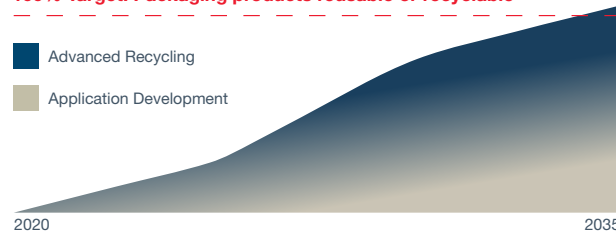
Close the Loop

Our "close the loop" goal is our commitment to work directly with our customers, brand owners and the value chain to:

- Help customers redesign and promote reusable or recyclable packaging applications where there is a clear environmental benefit.
- Enable 100% of Dow products sold into packaging applications to be reusable or recyclable.

Today, we are enabling 81% of the products we sell into packaging applications to be reusable or recyclable. Additional application development, packaging redesign and infrastructure improvements are required to deliver our 100% commitment.

100% Target: Packaging products reusable or recyclable



INTRODUCING REVOLoop™ POST-CONSUMER RECYCLED PLASTICS

Dow, using our Pack Studios in-house conversion capabilities, commercialized a global line of mechanically recycled plastic resins branded REVOLoop™. This family of post-consumer recycled products showcases Dow's efforts around the world to enable mechanical recycling, helping close the existing gaps to close the loop on plastics. From our design for recycling efforts to our compatibilizers portfolio and the incorporation of high-quality recycled materials into packaging, REVOLoop™ incorporates Dow's materials science expertise and is further enhanced by the assets and capabilities at our [Pack Studios application development centers](#). Pack Studios can provide formulation testing and physical and analytical testing, tailored to the customer's needs, to develop sustainable and reliable solutions for different types of applications. This is important because brands have committed to using recycled plastics in their products. However, they need support and development from companies such as Dow to help ensure their products don't lose functionality when incorporating recycled plastics.



Collaborating to Advance Circular Solutions for Plastics

Here are examples of the many ways that we are taking action across the world to stop the waste and close the loop on plastic waste.



Stop the Waste

Providing incentives to waste collectors in Nigeria: Approximately 30% of Nigeria's population does not have access to safely managed drinking water. In the absence of potable water, water sachets or pouches provide an affordable and readily available source of drinking water to millions of Nigerians. However, their widespread consumption has led to environmental pollution when these sachets are discarded. The waste management company RecyclePoints has collaborated with Dow to create an incentive program for collecting the discarded sachets. As in many developing countries, Nigeria relies on an informal waste management economy supported by waste collectors. Because waste collectors are paid by weight, the collection system favors rigid plastic and disregards the low-weight sachets. When the plastic films are brought to designated recycling centers, the waste collector will receive points that can be traded in return for cash, groceries, phone credits, and even tuition and school resources.

Creating China's first milk bottle road: Across the world, most nations have one thing in common: a need for improved infrastructure. That is why we are working with partners globally to make polymer-modified asphalt roads from recycled plastic using our ELVALOY™ Reactive Elastomeric Terpolymers technology, which enables longer-lasting and higher-load-carrying roads. In 2020, we teamed with dairy brand Shiny Meadow to construct China's first road made with recycled plastic milk bottles. The project gives hard-to-recycle plastic a second life and helps keep plastic waste out of the oceans, landfills, streets and rivers. The "milk bottle road" used more than 6,000 used milk bottles and other plastic waste and is located at the East China University of Science and Technology Xuhui campus. Other polymer-modified asphalt roads already have been built in India, Thailand, Philippines, Vietnam and the United States.



Close the Loop

Designing China's first fully recyclable laundry packaging: A joint effort between Dow, laundry brand Liby and packaging manufacturer Fujian Kaida enabled Liby to produce China's first fully recyclable laundry packaging for its laundry pods. Dow's INNATE™ TF Polyethylene Resins for Tenter Frame Biaxial Orientation were selected due to its all-polyethylene structure that enables the end product to be recycled in existing recycle streams. At the same time, the strong material properties of the INNATE™ resins offer high toughness to reduce leakage during transportation, as well as excellent optics for shelf appeal. Fujian Kaida will be designing and producing the packaging for Liby's laundry pods.

Boosting a circular economy in India: We have signed a memorandum of understanding (MoU) with an India-based recycling company to develop and produce post-consumer recycled (PCR) polyethylene (PE) film solutions made from locally collected, difficult-to-recycle plastic scraps. Under the MoU, Dow will provide its materials science and application development expertise to Lucro PlasteCycle, a specialist in recycling flexible plastic film waste. Lucro will develop and manufacture the PCR film structures, which will be made by processing plastic waste collected through various recycled streams in combination with our virgin resins. The new, more sustainable solution will initially be used to produce collation shrink film. In addition to contributing to our Stop the Waste target, these PCR films also have the potential to reduce carbon emissions when compared to virgin PE resins. This, as a result, could contribute to helping converters and brands meet their carbon reduction goals.





An Active Partner in Operation Clean Sweep®

In line with our effort to stop plastic waste and advance a circular economy, we are committed to preventing pellets from entering the environment. To fulfill these goals, we pledged to partner with Operation Clean Sweep® (OCS) to prevent pellet, flake and powder loss to the marine environment. In fact, we are an OCS Blue Member, which enhances our commitment to external reporting of unrecovered plastic releases to the environment.

As an active OCS participant, we hold both our manufacturing sites as well as our suppliers to the highest industry standards to prevent plastic pellet loss. In order to make our commitment sustainable, we have added elimination of plastic spills to our standards and have adapted our operating discipline to comply with the OCS requirements. Our plastics manufacturing and logistics facilities across the world are engaged in OCS. Each facility has completed a gap assessment to identify and eliminate pellet loss. Our sites also are in the process of upgrading procedures and assets to drive gap closure and eliminate pellet loss.



INCREASED TRANSPARENCY AND ACCOUNTABILITY THROUGHOUT THE VALUE CHAIN

Beyond our sites, we are increasing transparency and raising awareness about increasing accountability for pellet loss prevention, containment and cleanup. This includes increased communication of best practices and sharing solutions that have helped us contain pellets with our customers and other stakeholders in the value chain. Additionally, we have committed to report annually on the number and volume of incidents of any uncovered release of plastic from inside Dow facilities to outside of site boundaries that are greater than 0.5 kilograms per incident. We are also [actively working](#) with our external partners and logistics service providers to minimize or eradicate any outside-the-fence-line incidents.

In 2020, there were zero incidents that resulted in unrecovered releases from Dow facilities of more than 0.5 kilograms to outside Dow facilities.

Internal reporting requirements also were sharpened to capture data for near misses and loss of containment within facilities.

Find more information on our partnership with Operation Clean Sweep® [here](#)?





Innovating Safer Materials GRI 416-103

Our focus on innovating safer materials is grounded in our purpose: to deliver a sustainable future through our materials science expertise. More than 96% of the world's manufactured goods are enabled by chemistry, and the potential of chemistry to bring social and environmental value alongside business value is limitless. We are committed to innovating and bringing safer materials to the market by continuously evaluating and improving how we measure, design, manufacture, report and act on the impact of our materials to people and the planet. We also are engaging with customers, regulators and communities.

BUILDING ON OUR APPROACH TO SAFER MATERIALS

We are building upon our foundational successes and learnings, stemming from our commitment to safety within our fence line, our product risk management processes (detailed on the next page), and our vision for a future where every material we bring to market is [sustainable for people and our planet](#)⁷. This Safer Materials focus area will set us on a trajectory to drive environmental and health benefits that help lead the transition to a more sustainable planet and society.

Safe Personal Care Solutions for People and the Planet

As consumer interest in sustainability continues to increase, many cosmetic manufacturers are seeking more natural emulsifiers and ingredients for their products. Our award-winning SunSpheres™ BIO SPF (Sun Protection Factor) Booster is a bio-based and readily biodegradable SPF booster that enables greater SPF efficiency in sun care and daily wear SPF products.

Derived from wood pulp certified through the Programme for the Endorsement of Forest Certification, the innovative SPF booster reduces dependence on UV actives and works with both organic and inorganic UV filters. In addition to SPF-boosting properties, SunSpheres™ BIO SPF Booster also functions as a multifunctional ingredient, delivering stabilizing, thickening and shear thinning benefits. In 2020, it was named Sustainability Product of the Year by the Business Intelligence Group.



PEOPLE SPOTLIGHT

RICHARD HELLING

Within the halls of Dow, Rich, a research leader, is well known as a mentor to many on life cycle assessment (LCA). He advises Dow businesses on the use of LCA and has been an innovator of, and advocate for, the use of simple tools to apply life cycle thinking. He began using LCA in 2003. Since then, he has led dozens of LCA projects, including many that have been published and presented externally. LCA is a methodology that is designed to help businesses measure and quantify the end-to-end environmental and economic impacts of a product, process or service. It can be used to identify opportunities for innovation, differentiate products in the marketplace and create sustainable value for a business.

Rich is also recognized externally for his LCA leadership. In 2018, he was awarded the Rita Schenck Lifetime Individual LCA Leadership Award by the American Council for Life Cycle Assessment for his significant impact on the field and profession of LCA.



Innovating Safer Materials GRI 416-103

PRECAUTIONARY PRINCIPLE OR APPROACH GRI 102-11

As a responsible corporate citizen, Dow continues to use a well-defined process for assessing and managing risks in the face of uncertainty. This process is science-based, ensuring decision-making includes an appropriate evaluation of risk and benefits. It applies to current products as well as those under development.

We support a precautionary approach as set out in Principle 15 of the Rio Declaration on Environment and Development and view the precautionary principle as an application of the principles of risk assessment and risk management. Risk assessment includes hazard identification, characterization, exposure assessment and risk assessment. Risk management encompasses the identification, selection and implementation of alternative actions for addressing risk through the control of identified hazards(s) and/or exposure.

We believe that approaches should be risk-based and cost-effective. Additionally, the selected chemical management approach should be:

- Proportional to the objective being pursued
- Provisional



PRODUCT RISK MANAGEMENT GRI 416-1

All products are assessed in an appropriate manner – depending upon environmental health and safety (EH&S) profile, application and exposure potential – for improvement opportunities as part of Dow's EH&S management approach at each stage of the product life cycle.

RISK CHARACTERIZATION TOOL

The human and environmental risks of all our products are characterized using Dow's risk characterization process/tool. The tool requires the assessment of hazard and exposure information to identify the appropriate risk tier. The risk tier then determines the required actions and reviews for the Product Stewardship program, including EH&S information, Business Risk Review requirements and distributor/customer support.

BUSINESS RISK REVIEW PROCESS

Our businesses utilize the Business Risk Review process to assess and minimize possible adverse impact on people, property and the environment as a result of our business activity, including minimizing EH&S impacts associated with new and existing products, applications and services throughout the product's life cycle. Businesses are required to conduct risk reviews when new information is received, including changes in product uses, chemical regulations or raw materials; when new health and safety data are generated; or when triggered, in certain cases, by the passage of time.



Innovating Safer Materials GRI 416-103

Improvement opportunities have been identified to clarify and strengthen these triggers. How frequently risk reviews should be repeated is determined by the risk tier for the product/application identified by Dow's product risk characterization tool. In this process, and through the use of supporting processes and tools, health and safety impacts are assessed with respect to new product development, manufacture of product, transportation and distribution, use of product at customer facilities, and recycle, reuse or disposal. Risk mitigation measures are identified and implemented as a direct result of the Business Risk Review work process. Various product stewardship efforts such as distributor and customer qualifications and industry advocacy work are examples of involvement in the storage, distribution, supply and use steps of product life.

ENGAGING STAKEHOLDERS

We are actively listening and engaging with stakeholders to advance the development and adoption of sustainable materials and practices as part of our Safe Materials for a Sustainable Planet Goal. We are working to understand and positively respond to growing pressure against chemicals of concern in the marketplace as part of our commitment to delivering the sustainable materials of tomorrow and enabling a circular economy. One way we have done this is through meetings with individual customers to evaluate chemicals of concern and develop innovative solutions.



By actively engaging with external stakeholders to lead a candid conversation on product safety, we are proactively supporting safe material handling practices and the development of sound regulatory paradigms in developing regions. For example:

- We have brought our product safety expertise to a collaboration with the China Ministry of Ecology and Environment to develop advanced, risk-based safety assessment approaches for environmental protection.
- Our Product Stewardship Academy has conducted outreach in Kenya, Nigeria, Ghana, Ethiopia, the United Arab Emirates and Egypt to promote product safety. The Dow Product Stewardship Academy recognizes the need to grow sales responsibly in emerging countries. The program provides hands-on training as well as support and mentoring to distributors and customers to ensure that Dow products are handled and used in a safe and sustainable manner.
- We are committed to responding to increasing customer and market requests for product transparency, so we can maintain credibility and build trust on product safety. For example, regulatory datasheets are available through our website.

Overall, these efforts are part of our commitment to ensure the safe handling, use and management of our products and work with stakeholders throughout the value chain toward our common goal of ensuring product safety and sustainability. [Learn more about our efforts?](#)



2025 Sustainability Goals Progress GRI 416-103

Through our 2025 Sustainability Goals, we are collaborating with like-minded partners to help advance the transition to a sustainable planet and society. Launched in 2015, these 10-year goals guide us as we harness our innovation strengths, global reach and dedicated employee population to address a wide range of sustainability issues in our operations and communities around the world. These goals are helping us advance a circular economy, value nature, deliver breakthrough innovations, encourage collaboration through blueprint thinking, and support students and teachers in STEM education.



Our Sustainability Journey

Our 2025 Sustainability Goals are our third set of 10-year sustainability goals. Through the years, our sustainability journey has evolved from focusing on operational efficiency (our footprint), to product solutions and world challenges (our handprint), to recognizing that only through collaboration with like-minded partners can we accelerate our positive impact (blueprint thinking).

2025 Sustainability Goals

Dow's Thought Leadership and Actions

2015 Sustainability Goals

Product Solutions to World Challenges

Dow's Blueprint

Changes in technology, public policy and the value chain that lead human society toward sustainability

2005 EH&S Goals

Journey to EH&S Excellence

Dow's Handprint

Products and services that help customers meet their challenges

Dow's Footprint and EH&S Culture

World-leading operations and supply chain performance

1995

2005

2015

2025

Any information relating to forward looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.





Goal Updates

As we reach the halfway point of our 2025 Sustainability Goals, we continue to make significant progress against our commitments and share our progress.



Leading the Blueprint

Dow leads in developing societal blueprints that integrate public policy solutions, science and technology, and value chain innovation to facilitate the transition to a sustainable planet and society.



Delivering Breakthrough Innovations

Dow delivers breakthrough sustainable chemistry innovations that advance the well-being of humanity.



Advancing a Circular Economy

Dow advances a circular economy by delivering solutions to close the resource loops in key markets.



Valuing Nature

Dow applies a business decision process that values nature, which will deliver business value and natural capital value through projects that are good for business and better for ecosystems.



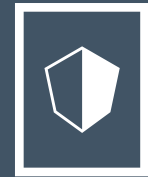
Safe Materials for a Sustainable Planet

We envision a future where every material we bring to market is sustainable for our people and our planet.



Engaging for Impact

We believe, whether through the dedication of time, talent or expertise, that volunteering promotes a positive employee experience, further supports our global citizenship priorities and investments, and ultimately, advances Dow's ambition.



World-Leading Operations Performance

Dow maintains world-leading operations performance in natural resource efficiency, environment, health and safety.

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Goal Updates



Leading the Blueprint

2020 Progress

Partnerships between business, governments and civil society are essential to ensure we meet the UN Sustainable Development Goals and the Paris Agreement targets. The Leading the Blueprint Goal is our decade-long initiative to cultivate a societal mindset shift on the value and necessity of incorporating diverse perspectives and collaborations to address global challenges. Guided by blueprint thinking, we will continue to unlock sustainable and valuable change for Dow and society by exploring collaborative frameworks.

Midway through this decade-long goal, we measure our success in two ways: 1) through the creation and implementation of our Blueprint Thinking Toolkit across the company, and 2) in sharing blueprints that transparently identify where we want and need to partner with others in meaningful collaborations to create change. Our Blueprint Thinking Toolkit and collaborative blueprints are meant to evolve over time as we learn more from others and incorporate these learnings into our culture and work processes.

In order to equip Dow employees to confidently navigate the world of external engagement and collaborations in an organized, value-added way, Dow partnered with the [Keystone Policy Center](#)⁷ to create the Blueprint Thinking Toolkit. The toolkit provides a roadmap for anyone to develop a more collaborative mindset and organize their stakeholders and collaborations.

Originally, this Blueprint Thinking Toolkit was tailored to Dow's processes and designed to equip Dow's employees with collaborative skills, but Dow and Keystone believe that the framework and lessons on developing a collaborative mindset could and should be available to everyone. The more general Collaborative Action Toolkit was the final product of that process and was just released externally at the end of 2020.

Dow's Blueprint Thinking work, including the collaboration with Keystone to produce the Blueprint Thinking and Collaborative Action Toolkits, was shortlisted in the 2020 Think Global Forum's Award for the manufacturing sector to recognize companies that significantly contributed to global thought leadership activities.

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A Framework for Collaborative Action

2020

EXTERNAL SHARING OF THE COLLABORATIVE ACTION TOOLKIT WITH THE KEYSTONE POLICY CENTER

2019

DEVELOPMENT OF THE BLUEPRINT THINKING TOOLKIT WITH THE KEYSTONE POLICY CENTER

2018

FIRST TWO BLUEPRINTS LAUNCHED

- Blueprint for Unlocking Carbon Reductions
- Blueprint for Sustainable Water Management

2016

BLUEPRINT CRITERIA DEVELOPED





Goal Updates



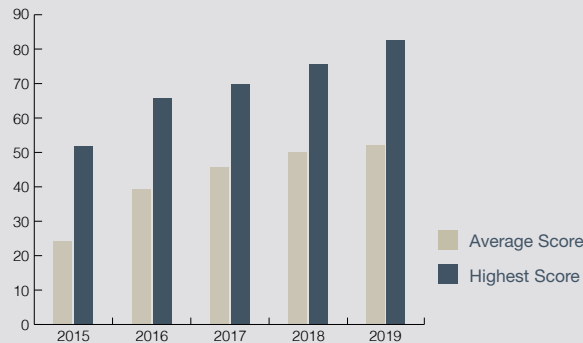
Delivering Breakthrough Innovations

Sustainable Chemistry Index

Our Delivering Breakthrough Innovations Goal is focused on advancing the well-being of humanity and the environment, based on understanding the life cycle of our products: their sources of energy and feedstocks, manufacturing processes, uses and applications, and how they are treated after use.

We continue to improve our sustainable chemistry performance and report progress externally. The Sustainable Chemistry Index (SCI) is an internally developed assessment tool focused on multiple sustainability attributes of Dow's businesses and products. SCI has provided an internal benchmark to inspire and track business engagement and progress on sustainable chemistry. Results through 2019 are presented. The 2020 SCI will be scored in Q3 2021.

Each Dow business has business-specific product sustainability goals. We track goals using the business responses to the SCI survey. In 2020 our businesses demonstrated challenging, broadly communicated goals.



In 2020:
48%
of sales were from products that address world challenges

The SCI is a series of questions answered annually by each of Dow's business units. Questions are grouped into four themes: **product risks, addressing world challenges through products and operations, strategy and recognition, and value chain engagement**. The results provide a way to analyze the company's product portfolio that incorporates sustainability and economic performance together.

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Innovation Pipeline

>80%

of R&D projects are aligned to Dow's sustainability focus areas: climate protection, circular economy and safer materials

The number of life cycle assessment (LCA) analysts continued to grow, primarily in R&D. These experts look at products in all stages of development and commercialization, especially to quantify the benefits and trade-offs associated with our three sustainability focus areas – climate protection, circular economy and safer materials.



DOWSIL™ EC-6601 Electrically Conductive Adhesive Enables Next-Generation Electronic Devices

RHOBARR™ 320 Polyolefin Dispersion for Paper and Board

NEOSEED® NR-8800 Durable Water Repellent for Textiles

ENGAGE™ 11000 Polyolefin Elastomers

DOWSIL™ EL-2888 Primerless Silicone Encapsulant for LED Lighting





Goal Updates



Advancing a Circular Economy

Collaborating Across the Value Chain

RENUVA™ Mattress Recycling Program

The RENUVA™ mattress circular economy program sets out to recycle polyurethane (PU) foam from end-of-life mattresses. In collaboration with the value chain, Dow is creating a chemical recycling ecosystem to achieve step-change sustainability impact. RENUVA™ Polyol production is scheduled to commence the second half of 2021 in collaboration with H&S Anlagentechnik, who will supply a turn-key installation, and Eco-mobilier, who will supply PU foam from post-consumer mattresses to a recycling unit at Orion Chemicals Orgaform in Semoy, France. The RENUVA™ Polyol with up to 50% recycled content can be used as a raw material for new mattresses or other flexible PU foam products. In fact, Dow has already announced a collaboration with Vita Group for the production of flexible PU foams made with RENUVA™ process. The recycling program is advancing the circular economy while also significantly reducing greenhouse gas emissions.

Regenerated DOWTHERM™ AR for Concentrated Solar Power (CSP)

DOWTHERM™ A is the virgin high temperature fluid (HTF) material used for first fill of concentrated solar power plants. Due to elevated temperatures, HTF fluid slowly degrades and unwanted components are continuously separated as waste. To reduce this waste and the environmental impact, Dow partnerships enable the reprocessing of the HTF from the waste through a regenerating process. The resulting DOWTHERM™ AR (R stands for regenerated) has the same specifications as the virgin material and can be directly used in the CSP plants. The concept is to close the loop and extend fluid lifetime by avoiding its end of life as waste or for incineration while giving a CO₂ advantage.

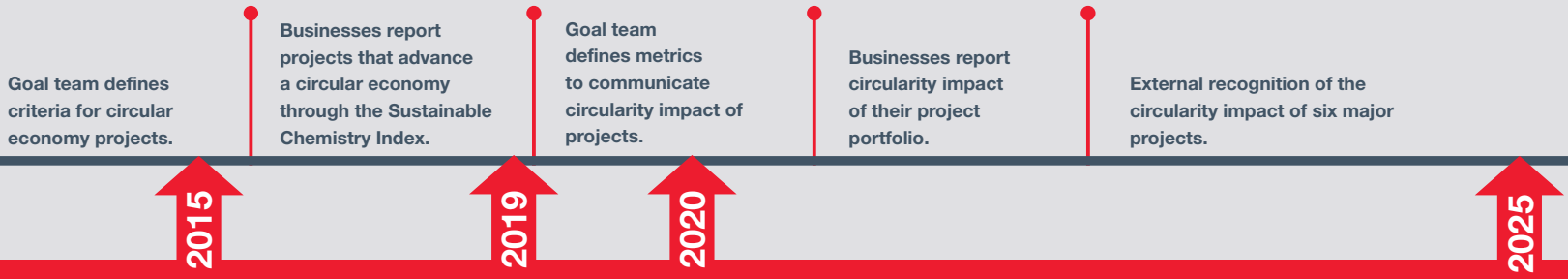
2020 Progress

We are refining our strategies and driving our pipeline for circular economy solutions forward by focusing on:

- Designing materials for a circular economy
- Stopping the waste and closing the loop on materials in our operations
- Enabling others to advance the circular economy
- Scaling business models to keep materials in play

These examples exemplify how Dow continues to strive to commercialize and scale up our circular economy R&D portfolio.

Our Journey Toward 2025

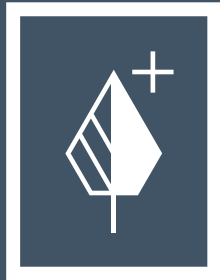


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Goal Updates



Valuing Nature

2020 Progress

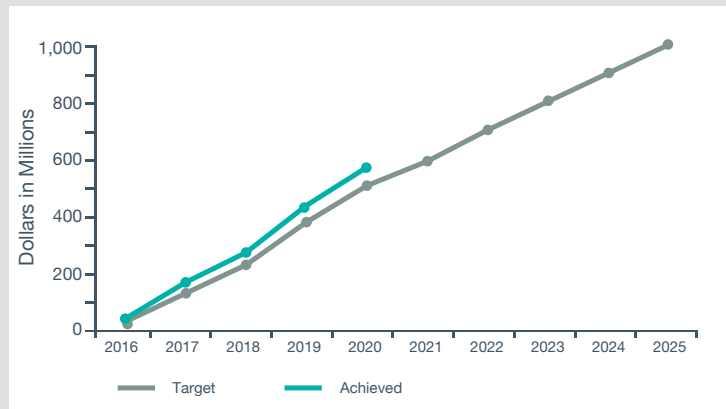
Business-Driven Projects that Enhance Nature

In 2020, we realized **\$100 million in business value** toward the Valuing Nature Goal. Goal contributions came primarily from cost avoidance on 25 global projects.

Since goal launch, Dow has realized **\$530 million in business value** through projects that are better for business and better for nature. This puts us well on track to achieve our target of \$1 billion in business value from projects that enhance nature by 2025.

Value to Dow from Nature Projects

Target vs. Achieved



Nature Screening

In the first five years of the Valuing Nature Goal, significant progress was made toward screening capital and expense projects. However, as projected in the 2019 Sustainability Report, we fell short of meeting our target to screen all business development and real-estate projects by 2020. Progress has been made in these areas by broadening the Nature Screen, which resulted in the addition of several products and land monetization projects to the goal's project pipeline.

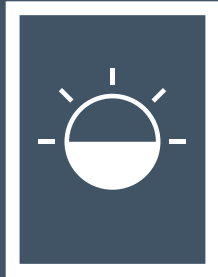
2020 Highlights

- 14 sites held virtual goal webinars in Asia Pacific to increase engagement in nature screening
- Piloted the Nature Goal Scorecard
- Facilitated a nature-based solution workshop focused on building resilience in the Texas Coast with the Army Corps of Engineers, where more than 80 participants attended from 30 organizations

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Goal Updates



Safe Materials for a Sustainable Planet

We envision a future where every material we bring to market is sustainable for our people and our planet.

Our ambitions and targets under this goal are:

Sustainable Materials of Tomorrow

Understand and respond to growing pressure on challenged chemistries in the market

- Launch an internal sustainable materials strategy
- Announce 10 sustainable alternatives

Leading a Candid Conversation

Proactively support safe material handling practices and development of sound regulatory paradigms

- Conduct Product Stewardship Academy in 10 developing countries
- Announce five courageous collaborations with external partners
- Share five examples of products/ applications not pursued

Open and Transparent Chemistry

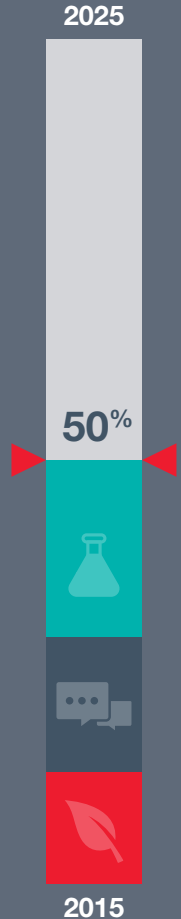
Respond to and shape the increasing market requests for product transparency to maintain credibility and build trust

- Publish a Transparency Portal
- Share five examples of products/ applications not pursued

2020 Highlights

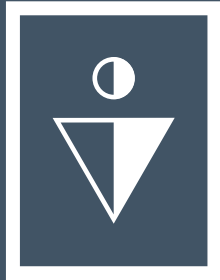
- **A sustainable alternative was announced, ECOSURF™ EH:** The ECOSURF™ EH Surfactant portfolio has been named as our second sustainable alternative to the market, based on its favorable EH&S profile, enhanced life cycle assessment (LCA), product performance and market acceptance. ECOSURF™ EH products offer a reduction in aquatic toxicity that meets or exceeds global environmental regulations, significantly reduces the potential eco-toxicity over a lifetime, lowers human health concerns and is readily biodegradable. This enables more sustainable formulations for cleaning, coatings and agriculture products.
- **We collaborated with a customer to advance in vitro science:** In collaboration with our customer Kao Corporation, we published a joint research article discussing alternative toxicology assessments as the regulatory community is transitioning to non-animal methods.

Overall progress toward 2025 goal:





Goal Updates



Engaging for Impact

Goal: By 2025, Dow employees and partners worldwide will apply their resources to help build sustainable and resilient communities.

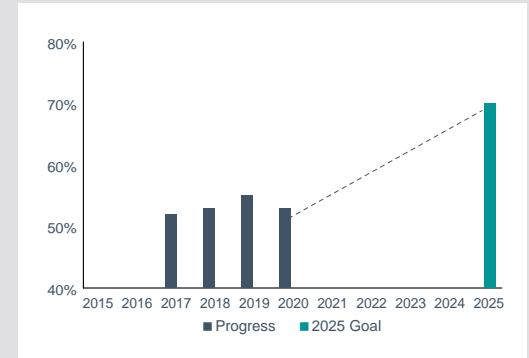
In 2020, the goal team refreshed our targets to ensure that they are measurable and verifiable, outcome-focused, aligned with current Dow Global Citizenship and People and Culture strategies, and embrace the original intent of the goal to positively impact the world in which we live, work and play.

Employee Volunteer Participation

Target: By 2025, 70% of Dow employees will report through the annual VOICE Employee Survey that they contribute time and expertise through volunteer engagement

Objective: Improve employee experience through volunteerism across Team Dow

The Dow 2020 Employee Experience score was 8 percentage points higher for Dow employees who volunteered vs. those who did not.



Source: VOICE Employee Survey

Target: By 2025, through Dow's global citizenship investments, significant and measurable impact will be demonstrated in four key areas

Objective: Invest in programs and partnerships that positively impact people, communities and the environment

PROGRESS 2016-2020

Community Well-Being

Dow has improved the physical, social and emotional well-being of **263,057 people**



Education and Knowledge

Dow has supported the academic achievement of **793,935 students**



Environmental

Dow has improved **214,743 acres** of land and **2,826 miles of waterways**



Sustainable Partnerships

Dow investments catalyzed **\$347MM** in additional value to strengthen programs and organizations



Measured impacts are based on 29% of Dow's total philanthropic investments since 2016. As measurement coverage increases, the scorecard's accuracy and comprehensiveness will increase.

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Goal Updates



World-Leading Operations Performance

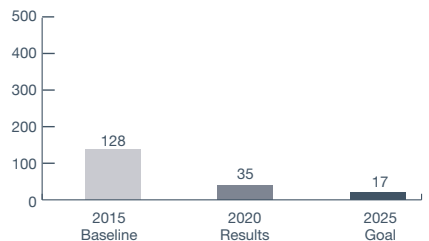
Dow maintains world-leading operations (WLO) performance in natural resource efficiency, environment, health and safety.

2020 Progress

We continued to make progress on our WLO targets by:

- Increasing our Total Worker Health® (TWH) Index by 10 percentage points and our Environmental Stewardship Index by 20 percentage points over 2019.
- Exceeding our 2025 target of demonstrating a 50% improvement in our Transportation Stewardship Index.
- Expanding our access to renewable power by more than 50% to greater than 800 MW, exceeding our 2025 target of 750 MW of our power demand from renewable sources by 2025. We will continually monitor our progress on this target as purchased power agreements expire or are acquired.
- The WLO Indices were included as a component of our [Performance Award compensation program](#).

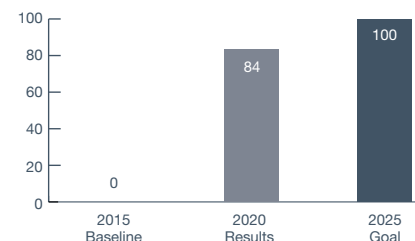
Unplanned Event



ELEMENTS:

- Eliminate fatalities, significantly reduce severe injury and illness incidents, and maintain the total recordable injury and illness rate at industry-leading levels.
- Eliminate all process safety events that impact our people, communities and the environment.
- Eliminate all preventable Motor Vehicle Accident fatalities.

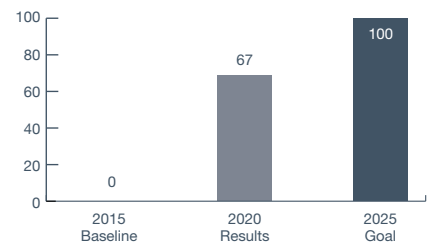
Environmental Stewardship (%)



ELEMENTS:

- Improve our raw material efficiency utilization index by 10% relative to the 2015 baseline.
- Reduce the freshwater intake intensity at our key water-stressed sites by 20%.
- Reduce our waste intensity footprint by 20%.
- Offset emissions of Priority Compounds, VOCs and NOx.
- Absolute GHG emissions will not exceed our 2006 baseline.
- Obtain 750 MW of our power demand from renewable sources by 2025.

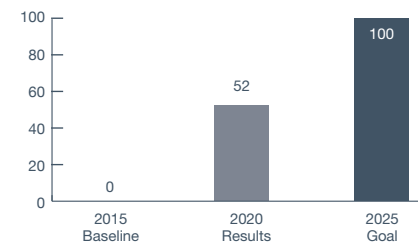
Total Worker Health® (%)



ELEMENTS:

- Have TWH implementation that comprehensively controls workplace health risks, protects workers and improves the health of Dow people.

Transportation Stewardship (%)



ELEMENTS:

- Demonstrate a 50% improvement in our Transportation Stewardship Index through progress in incident-free performance, programs to influence logistics and raw material suppliers, and risk reduction across the value chain.
- Strive to eliminate severe transportation incidents that impact people, property and the environment in the communities through which our products, raw materials and intermediates flow.

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Environmental Impact GRI 305-103, 307-103

We are committed to world-class EH&S performance, as demonstrated by industry-leading results, a long-standing commitment to Responsible Care®, and our commitment to achieve our 2025 Sustainability Goals and our new targets on climate protection and a circular economy. To meet our commitments, as well as the laws and government regulations related to environmental protection and remediation to which our global operations are subject, Dow has well-defined policies, requirements and management systems.

Managing EH&S Performance

Dow's EH&S Management System (EMS) defines the "who, what, when and how" needed for the businesses to implement the company's policies and requirements, and meet performance objectives, leadership expectations and public commitments. To ensure effective utilizations, the EMS is integrated into a companywide management system for EH&S, Operations, Quality and Human Resources.

RESPONSIBLE CARE®

Third-party verification and transparent public reporting are cornerstones of world-class EH&S performance and building public trust. Numerous Dow sites in Europe, Latin America, Asia Pacific, the United States and Canada have received third-party verification of Dow's compliance with Responsible Care® and with outside specifications such as ISO-14001. Dow continues to be a global champion of Responsible Care® and has worked to broaden the application and impact of Responsible Care® around the world through engagement with suppliers, customers and joint venture partners.

WASTE, WATER AND EMISSIONS INVENTORY

Dow manages environmental data for reporting with a waste, water, and emissions inventory system. All emitting manufacturing sites globally record their emissions and water use in the system annually. The data are reviewed at the facility level and then by global coordinators before being aggregated for corporate reporting.

Environment, Health and Safety Policy

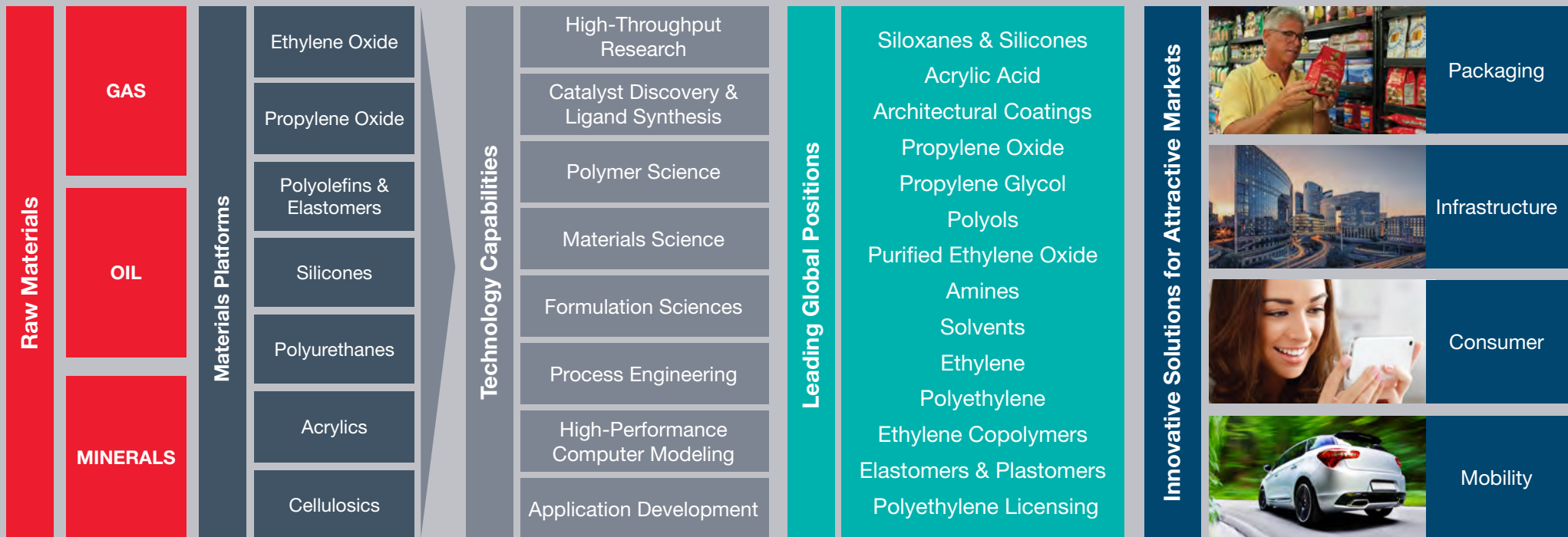
At Dow, protecting people and the environment is a part of everything we do and every decision we make. Each employee has a responsibility in ensuring that our products and operations meet applicable government or Dow standards, whichever are more stringent. Our goal is to eliminate all injuries, prevent adverse environmental and health impacts, reduce waste and emissions, and promote resource conservation at every stage of the life cycle of our products. We will report our progress and be responsive to the public.



Materials Used GRI 102-9

Dow operates in an integrated manufacturing environment. Basic raw materials are processed through multiple operations to make products that are sold to external customers and used as intermediates to further downstream Dow operations. The major raw material stream that feeds the production of our finished goods is hydrocarbon-based raw materials.

Dow's Integrated Manufacturing Environment





Materials Used GRI 301-1, 301-2, 301-103

Key Raw Materials

					
PACKAGING & SPECIALTY PLASTICS		INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE		PERFORMANCE MATERIALS & COATINGS	
Hydrocarbons & Energy	Packaging and Specialty Plastics	Industrial Solutions	Polyurethanes & Construction Chemicals	Coatings & Performance Monomers	Consumer Solutions
Butane	Aliphatic Solvent	Ethylene	Aniline	Acetic Acid	Hydrochloric Acid
Condensate	Butene	Propylene	Benzene	Acetone	Methanol
Ethane	Ethylene		Carbon Monoxide	Acrylic Acid	Platinum
Naphtha	Hexene		Caustic Soda	Butyl Acrylate	Silica
Natural Gas	Octene		Cell Effluent	Methyl Methacrylate	Silicon Metal
Propane	Propylene		Cellulase	Propylene	
			Chlorine	Styrene	
			Electric Power		
			Ethylene		
			Hydrogen Peroxide		
			Propylene		
			Styrene		

Raw Material Efficiency

Raw material efficiency is tracked as part of the suite of four metrics that comprise the Environmental Stewardship Index, under our World-Leading Operations Performance Goal. To assess the raw material efficiency index, each of our business units determines a relevant material efficiency metric, sets annual commitments that translate into monetary savings, and reports regularly on progress to business and corporate leadership. Total quantity of raw material is not aggregated across the corporation. The current method used for raw material efficiency is more granular providing more clarity and opportunity for improvement to each business unit versus an aggregate total quantity.

In 2020, businesses achieved a total of \$47.5MM in raw material savings from efficiency improvements.

Measuring material efficiency provides a direct driver to improve activities such as:

- Process parameter adjustments to improve yield
- Increased frequency of tracking and internal reporting of specific materials uses
- Raw material quality improvements that result in more efficient use
- Waste minimization through equipment reliability improvements

A circular economy is one of the three sustainability focus areas that we've identified as critical to our business and where we can make a difference. Since announcement of our circular economy targets in June 2020, we have:

- **Enabled 8,298 metric tons of plastic to be collected, reused or recycled** through our direct actions and partnerships toward our target of 1 million metric tons by 2030.
- **Enabled 81% of Dow products sold into packaging applications to be reusable or recyclable** toward our target of 100% by 2035.





Energy Management GRI 302-103

Our Hydrocarbons & Energy business oversees energy management at Dow. Many of our initiatives around carbon and emissions are also managed by the Energy business. The business is led by a Global Energy & Climate Change director and a team of regional directors and energy managers who define the best integrated asset and commercial strategies for major sites and company exposures. The Energy Technology Center supports our efforts to optimize energy use and emissions through the implementation of energy efficiency projects within our sites. The Energy business manages a portfolio of power and steam production assets, as well as fuel, steam and power purchases.

Dow operates combined heat and power plants to provide power and steam to a significant portion of our operations. Our Hydrocarbons & Energy business manages the power and steam procurement for the remainder in a way that balances sustainability, affordability and reliability.

In 2020, we added three solar Power Purchase Agreements in Kentucky, Texas and Brazil. **This expanded our access to renewable power by 50% to 800 MW of capacity, surpassing Dow's 2025 Sustainability Goal of obtaining 750 MW of its power demand from renewable sources.**

Our decision to add more than 300 MW of solar capacity not only reduces company emissions by more than 200,000 metric tons versus previous grid sourcing, but also supports grid diversity with industrial contracts that bring new renewable capacity online, enhancing residential access to renewable power as well.

- In Kentucky, Dow's agreement supports LG&E and KU Energy's ongoing efforts to enhance renewable offerings for residential, commercial and industrial customers to

help meet their various renewable energy goals. The project adds 200 MW of capacity to the region.

- In Brazil, the installed capacity of the new Jacarandá plant for Atlas Solar is 187 MW. While Dow's Aratu site uses the majority of this energy, a significant portion is unclaimed and available to consumers in the region. This sets the foundation for further expansion, economic and social development in the region through Atlas' investment.

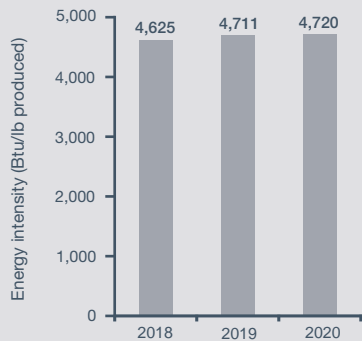




Energy Consumption

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

Energy Intensity GRI 302-3



Energy Consumption GRI 302-1

Source	Million GJ
Purchased Natural Gas	394.4
Off-Gas from Feedstock	241.3
Purchased Electricity	37.5
Purchased Steam	20.2
Power and Steam Sold	-47.6
Net Use	645.8

Purchased electricity includes renewable sources

Fuel Source	Capacity (MW)	Consumption (Million GJ)
Wind	375	4.4
Hydro	147	4.7
Biomass	0	0
Landfill Gas	3	0.05
Solar	319	0.3
Total	844	9.5

Purchased steam includes renewable sources

Fuel Source	Consumption (Million GJ)
Biomass	2.334
Total	2.334

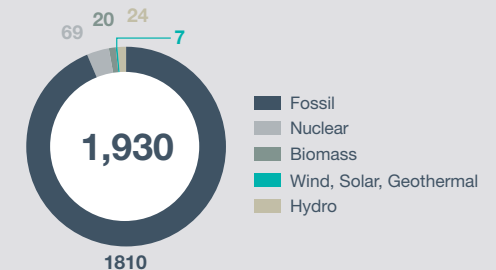
- Total energy consumption is aggregated as the sum of purchased fuels (primarily natural gas), off-gas from our manufacturing processes, purchased electricity, and purchased steam minus any steam and power generated by Dow but sold to third parties or to the grid.
- Energy intensity is aggregated energy consumption reported at the facility level (net fuel, power, steam and other utilities) consumed in the production of products.

ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION GRI 302-2

Energy consumption outside of Dow is estimated using primary data for purchased quantities of raw materials and representative datasets for cumulative energy demand from the Ecoinvent v3 database. The purchased raw materials coincide with those used in the estimation of Scope 3,

Category 1 GHG emissions. Other categories of energy consumption outside the organization are assumed to be significantly smaller based on prior estimates using Economic Input Output model data and were not estimated for 2020.

External Energy Consumption (Million GJ)





Emissions

SCOPE 1 AND SCOPE 2 GHG EMISSIONS GRI 305-1, 305-2

Greenhouse gases are accounted for in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, applying the operational control approach and using emissions factors from the United Nations Intergovernmental Panel on Climate Change Fifth Assessment Report. Scope 1 includes Kyoto Protocol greenhouse gases [carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃)] as well as any non-Kyoto greenhouse gases emitted. Scope 2 includes carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). Historical data considers any divestitures, mergers and acquisitions and may change to reflect those activities.

Reported Scope 1 and 2 GHG emissions showed little change from 2019. This reflects offsetting emissions impacts from several factors including the number of scheduled outages for

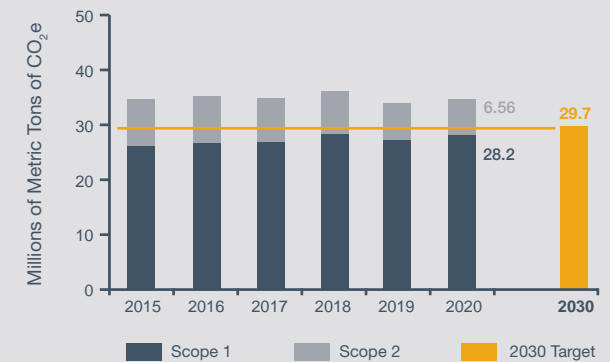
maintenance, COVID-19 impact on volumes, and emissions reduction projects.

Scope 2 emissions reflect power purchases to supply manufacturing operations around the world. These are calculated according to the Greenhouse Gas Protocol Scope 2 Guidance, including both location-based and market-based methods. The market-based value is used in the corporate total for our 2030 emissions reduction target. This allows purchased and contracted renewable energy to contribute toward the goal of not exceeding our 2006 absolute emissions baseline (42.1 million MT CO₂e), and accounts for the use of supplier-specific emissions factors associated with energy contracts Dow has in place.

- Scope 2 emissions calculated using the location-based method were 4.9 million metric tons in 2020.

- Bio-based GHG emissions for 2020 were 0.458 million metric tons.

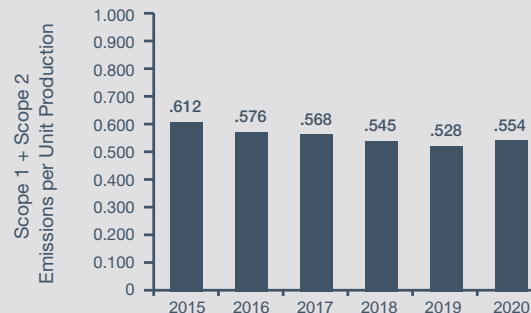
Scope 1 and 2 Greenhouse Gas Emissions



GHG EMISSIONS INTENSITY

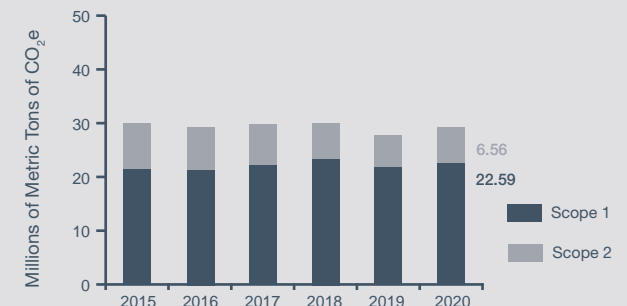
In 2020, Dow changed the methodology used to calculate the GHG Intensity metric. Emissions used in the calculation relate to the manufacture of materials and exclude emissions associated with the production of power and steam not consumed by the company. In addition, the production volume used in this metric includes products produced by the company, including by-products and co-products generated from the production of olefins. The methodology for this calculation was applied to the presentation of historical GHG Intensity metrics.

GHG Emissions Intensity GRI 305-4



GHG Emissions

Excluding Emissions Associated with the Production of Power and Steam Not Consumed by Dow





Emissions

SCOPE 3 GHG EMISSIONS GRI 305-3

Scope 3 emissions are defined by the GHG Protocol as indirect emissions from value chain activities. Understanding the relative scale of the Scope 3 categories contributes to our strategies for targeting reduction initiatives.

Our estimates of Scope 3 emissions are made according to the GHG Protocol's Corporate Accounting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, as well as the World Business Council for Sustainable Development's (WBCSD) Guidance for Accounting and Reporting Corporate GHG Emissions in the Chemical Sector Value Chain. Estimates include all or a subset of Kyoto GHGs [carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃)] depending on the category and estimation methodology. The WBCSD sector guidance deviates from the GHG Protocol in the definitions of upstream and downstream transportation and distribution. We have applied the WBCSD document definition, which states that upstream transportation and distribution applies to flows of material from a supplier to Dow, and downstream applies to flows of material from Dow to another entity.

Total Scope 3 emissions for 2020 were 69.3 million metric tons. The largest category of our Scope 3 emissions remains purchased goods and services. Differences from values reported in 2019 are largely a result of COVID-19 impacts. Although small relative to the overall Scope 3 emissions (included in "other" in the chart), the business travel and employee commute categories were most significantly impacted by COVID-19, as our employees were restricted from travel and many worked from their homes for a significant portion of the year.

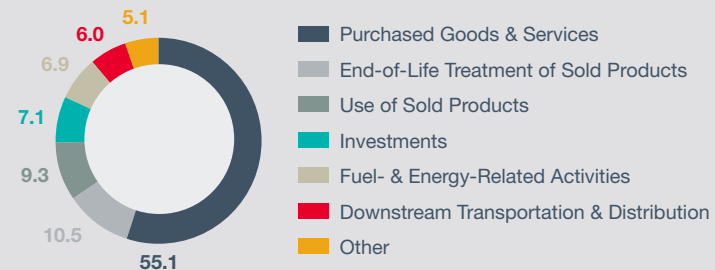
ENHANCING AND DIGITIZING OUR METHODOLOGY

Scope 3 emissions are a component of our carbon-neutral ambition. As a step toward taking meaningful action to manage our Scope 3 contributions, we are continuing to update and digitize our processes for data collection and analysis. These efforts, currently underway, will continue to improve understanding of our value chain impact and opportunities, and further enable a sustainable foundation for targeted future actions.

Actions that we've taken to begin to address our Scope 3 emissions include:

- Improving our sustainability-focused supplier interaction, with continuous emphasis on data quality and traceability, to be able to capture and report company- and product-specific carbon information.
- Launch of a comprehensive sustainability roadmap for purchasing and integrated supply chain, which includes carbon accounting and action, along with other ESG key performance indicators.
- Incorporating sustainability topics into procurement tools to be able to track supplier input.
- Working with our logistics partners to increase data quality and transparency and initiating a recognition program to incentivize positive action.

Scope 3 Greenhouse Gas Emissions: % Contribution to Total





Emissions

OPTIMIZING OUR FACILITIES AND PROCESSES: REDUCTION OF ENERGY CONSUMPTION AND GHG EMISSIONS GRI 302-4, 305-5

Dow tracks overall energy intensity and consumption year over year, as well as GHG intensity and emissions as key metrics. While many projects implemented throughout the year have an impact in reducing our energy consumption and/or our GHG emissions, the following table outlines projects completed in 2020 that will have a significant impact on these numbers.

Project Summary	Location	Type of Energy Reduced	Amount (in millions of kJ/year)	Scope of Emissions Reduced	Approx. Amount (metric tons CO ₂ e/year)
Conversion of blowing agent materials in formulated polyol products from hydrofluorocarbons (HFCs) to lower global warming potential (GWP) chemicals	Multiple locations	N/A	N/A	Scope 1	50,000
Increased recovery of waste heat from gas turbines via flowgrid installations	Freeport, TX, USA	Fuel	2,000,000	Scope 1	100,000
Reduction in propylene loss and generation of additional steam from energy recovery unit	Map Ta Phut, Thailand	Steam	130,000	Scope 1	30,000
Implementation of new mono/di methyl chlorosilane distillation technology resulting in energy efficiency improvements	Zhangjiagang, China	Steam	140,000	Scope 1	20,000
Solar power agreements to replace conventional power usage	Kentucky and Texas, USA; Brazil	N/A	N/A	Scope 2	200,000
Total			2,270,000		400,000

Energy and emissions savings were determined by comparing plant operating conditions before projects were implemented to conditions after implementation.

Any information relating to forward looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



Emissions

OTHER EMISSIONS*

Ozone-Depleting Substances GRI 305-6

2018
1.73[#]
2019
1.51
2020
2.40

Metric tons CFC-11e

Ozone-depleting emissions include substances with ozone depletion potential greater than zero. Emissions are reported in CFC-11 equivalents using ozone depletion factors based on the Montreal Protocol. Since 2005, Dow has eliminated 97% of ozone-depleting emissions as these gases have been phased out. The remaining emissions are primarily fugitives and can vary significantly year to year. Dow seeks to minimize all releases of fugitive emissions and has a robust detection program to identify and correct leaks. In 2020, emissions were higher vs. 2019 primarily due to a single event of chlorodifluoromethane fugitive emissions release at a single site.

NOx GRI 305-7

2018
20,024[#]
2019
18,632[#]
2020
17,111

Metric tons

NOx emissions are largely driven by operation of Dow's Hydrocarbons, Specialty Plastics and Energy assets. As a result of the change in asset mix coming out of Dow's separation from DowDuPont, the baseline NOx emissions are 800 metric tons higher than before, as new Hydrocarbons, Specialty Plastics and Energy assets were added, while lower NOx emitting assets spun off as part of Corteva or DuPont. 2020 saw a reduction in NOx emissions, primarily driven by lower production demand, and reduced flaring as a result of COVID-19.

SOx GRI 305-7

2018
2,728[#]
2019
2,686[#]
2020
2,233

Metric tons

Dow's SOx emissions are largely driven by our silicon smelter operations that produce raw materials for our Consumer Solutions business, and our Acrylic Monomer production within our Performance Monomers business. SOx emissions were reduced largely in 2020 vs. 2019 due to the idling of one of our silicon smelter sites, as well as impacts due to COVID-19.

VOCs GRI 305-7

2018
8,824[#]
2019
7,686[#]
2020
7,427

Metric tons

Volatile Organic Compounds (VOCs) were reduced in 2020 vs. 2019 due to the implementation of emissions reduction technology, idling of a silicon smelting facility and lower production demand as a result of COVID-19.

Chemicals to Air and Water GRI 303-4, 305-7

2018
14,161[#]
2019
14,184[#]
2020
13,697

Metric tons

Chemical emissions are any release or discharge to the air or water of any pollutant from a facility. This data excludes NOx, SOx, carbon monoxide, CO₂, particulates, methane, hydrogen, nitrogen, oxygen, water, aluminum and certain salts. The chemical emissions category is largely driven by emissions from our wastewater treatment operations at our large integrated sites. These emissions include the post-treatment chemical emissions from our industrial park tenant companies. 2020 chemical emissions were reduced vs. 2019 due to lower production demand as a result of COVID-19.

Priority Compounds to Air and Water GRI 305-7

2018
336[#]
2019
308[#]
2020
219

Metric tons

Priority compounds are a subset of VOCs that contain carcinogenic, mutagenic and/or are persistent and bioaccumulative in the environment. Emissions of priority compounds were greatly reduced in 2020 vs. 2019 due to enhancements of methodologies to include measured instead of estimated data as well as lower production demand as a result of COVID-19.

*Emissions reduction projects continue to be part of our capital planning process.

[#]This GRI metric has been restated to correct the measurement for information received subsequent to the publication of the 2019 or 2018 Sustainability Report



Water GRI 303-103

EMBEDDING WATER-RESILIENT PRACTICES INTO WATER MANAGEMENT APPROACH

As the climate crisis intensifies, the impacts on our shared freshwater resources are far-reaching. Businesses such as Dow depend on having abundant fresh water to ensure the continued safe operation of our manufacturing facilities worldwide. Safe, accessible water is also essential to the health of the communities in which we operate, critical to ecosystems and integral to economic growth.

We have both the responsibility and opportunity to collaborate with other sectors of society on solutions, combining our resources and efforts to ensure there are sustainable and resilient freshwater resources for all. Today, 2.2 billion people around the world are living in water-stressed areas, and the same will be true of more than half the world’s population by 2050 if no action is taken.

In 2019, Dow was one of seven co-founding companies that initiated a business-led initiative of the UN Global Compact’s CEO Water Mandate mobilizing businesses to advance water stewardship.

In 2020, Dow, along with other members of the CEO Water Mandate, launched the Water Resilience Coalition (WRC). The CEO-led initiative aims to bring together global corporate leaders to reduce water stress by 2050. Members of the initiative are committed to

collaborating to ensure freshwater basins are able to consistently supply the water needed for communities, businesses and the natural environment.

WRC members commit to continuous progress against six elements of stewardship – direct operations, supply chain and watershed management, collective action, public policy, community engagement and transparency. This pledge helps:

- Establish our long-term vision for water,
- Engages us to review our current water management approach and Dow’s Blueprint for Sustainable Watershed Management,
- Focuses investments in strategic water resiliency efforts,
- And accelerates our work with the stakeholders in specific watersheds to share and learn from other coalition members.

Dow’s participation in the WRC also supports our 2025 Sustainability Goals. In addition to these actions, we are using our materials science to innovate products and processes that improve sustainable water management.

Dow, along with other members of the UN Global Compact’s CEO Water Mandate, launched the Water Resilience Coalition, a CEO-led initiative to reduce water stress by 2050.

Dow 2025 Goal	Alignment with Water Strategy
Leading the Blueprint	Blueprint for Sustainable Watershed Management
Advancing a Circular Economy	Water recycling projects at Dow manufacturing sites
Valuing Nature	Projects that deliver value for Dow and for ecosystems
World-Leading Operations Performance	Goal to reduce freshwater intake intensity by 20% at key water-stressed sites



Water Stewardship in Action GRI 303-1

In 2020, we continued to prioritize water conservation and reuse investments based on site-specific water risks – keeping our focus on reducing freshwater intake at key water-stressed sites by 20%. The following outlines innovative areas where Dow is driving collaborative action and pursuing technological advancement.

PRESERVING SHARED RESOURCES THROUGH CIRCULAR WATER MANAGEMENT

At our Terneuzen site in the Netherlands, progress continues in achieving 100% water circularity by 2024. This would eliminate withdrawals of fresh river water from the Biesbosch area near the confluence of the Rhine and Meuse rivers, which is also the location of a Ramsar wetland (#197). As part of this long-term plan, Dow is piloting a project initiated in partnership with Evides and the regional water board, owners of Terneuzen's wastewater treatment facility (WWTF), to process various sources of water. These sources include Dow's private wastewater treatment plant and Terneuzen's municipal WWTF. The pilot is running through August 2021. Full-scale implementation is planned for the end of 2024.



In June 2020, Dow, Evides, U Gent and HZ University of Applied Sciences (Vlissingen, Netherlands) launched a new EU Horizon 2020 project entitled AquaSPICE. This project involves 29 partners throughout Europe who aim to materialize circular water use in European process industries, foster awareness in resource efficiency and deliver solutions for industrial applications. Two of Dow's sites will be participating: Dow Terneuzen and Böhlen (Germany). Böhlen and Terneuzen are striving to reduce their freshwater intake intensity by:

- Enhancing the internal recycle of various process streams, including cooling tower blowdown and dilution steam blowdown streams
- Creating a next level of site water management by using smart monitoring algorithms and control on raw water, discharge and recycle streams



Water Stewardship in Action GRI 303-1

INNOVATING CUSTOMER SOLUTIONS THAT HELP CONSERVE WATER RESOURCES

Dyeing cotton textiles is a resource-intensive process that contributes to water pollution and water scarcity. [ECOFAST™ Pure Sustainable Textile Treatment⁷](#) helps make a bold difference. This award-winning technology can reduce water use by up to 50% and chemical use by up to 90% in the dyeing process. These sustainability benefits don't come at the sacrifice of color or quality either. ECOFAST™ Pure enables brands to achieve the same or better color performance that consumers know and love.

BUILDING CLIMATE RESILIENCE THROUGH NATURAL INFRASTRUCTURE

Dow is working with The Nature Conservancy (TNC) and other public and private organizations to identify cost-effective and systemic solutions to climate risk in and around coastal areas. To tackle physical climate risks associated with water reliability, Dow and TNC will be working with, in and around our most water-stressed sites – starting with the U.S. Gulf Coast – to identify and implement watershed-level projects aimed at improving both water quality and water quantity in the region.



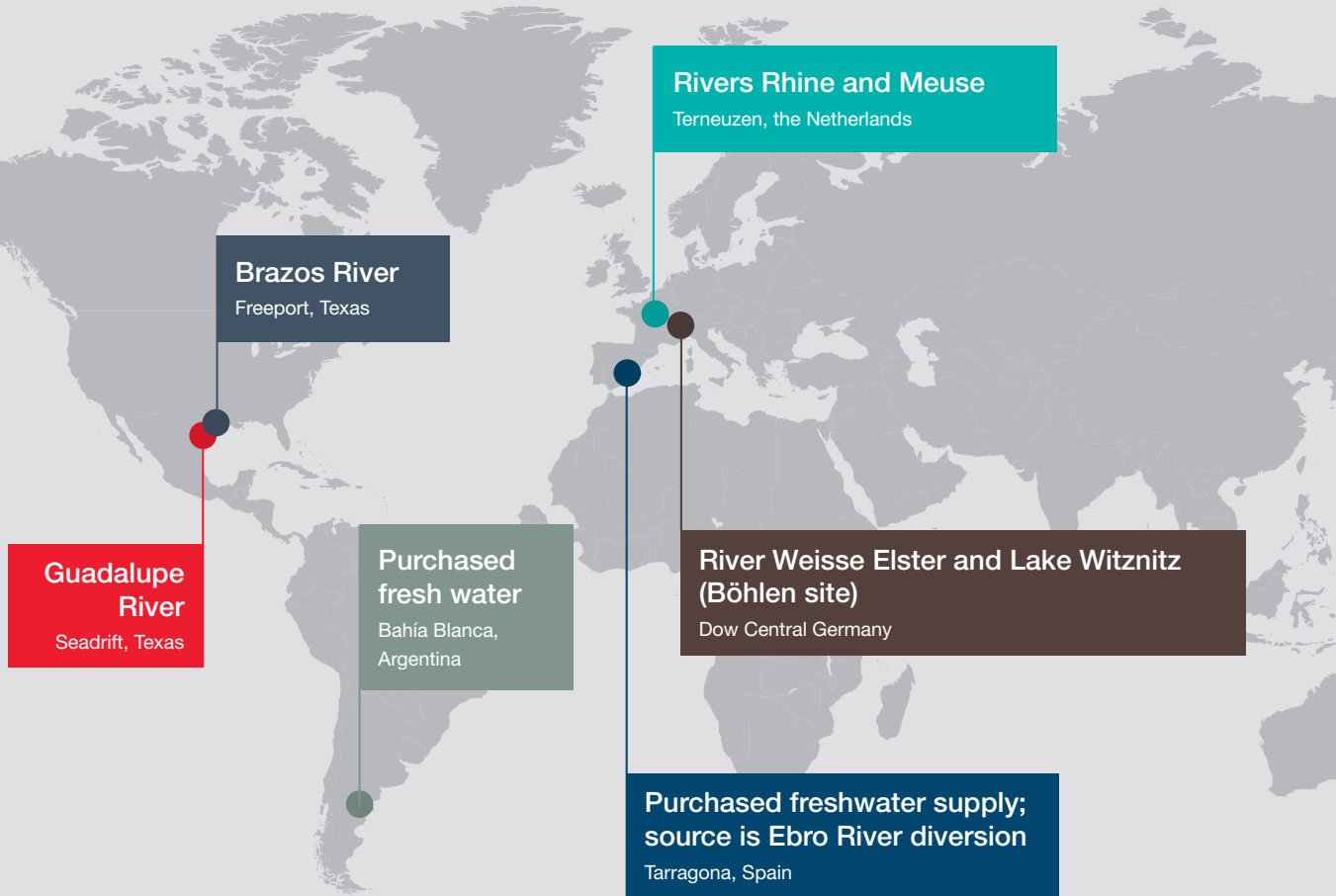
Collaborating with Ralph Lauren for More Sustainable Apparel

In March 2021, Ralph Lauren announced [Color on Demand⁷](#), a multi-phased platform with the ambition to deliver the world's first scalable, zero-wastewater cotton dyeing system. The initial phase of Color on Demand includes Ralph Lauren working side-by-side with Dow to optimize ECOFAST™ Pure for more sustainable cotton dyeing. Dow's breakthrough product enables significant water savings and dramatically reduces the amount of chemicals, dye, time and energy needed to color cotton. Ralph Lauren is the first apparel brand owner to implement ECOFAST™ Pure, as featured in select cotton apparel for their [2020 Team USA Collection⁷](#). To make adoption of this technology easier for the industry, the companies plan to release a detailed manual with steps for industry implementation.



Key Water-Stressed Sites

Dow strives to reduce freshwater withdrawal at all sites. Although we have focused our efforts on our six key water-stressed sites, certain sites also have experienced seasonal water-scarcity issues, driving the need for improvements.



Promoting Water Resilience

We continue to advance water stewardship within our own operations to conserve fresh water. Here are two examples:

Our Coating Materials site near Chennai, India, has a history of water stress due to drought, which has resulted in an unreliable and poor water quality supply. Since 2017, Dow has been working on reducing its water consumption, achieving a 30% reduction. One key project involved the collection of rainwater. The rainwater was stored via recharge bore caverns, increasing the water table and improving water quality.

In Map Ta Phut, Thailand, a new water recycling technology was installed. The cascading scheme reuses the blowdown of a cooling tower and reject stream from the reverse osmosis unit as makeup water for a second cooling tower. This project is recycling 1,100 metric tons/day, corresponding to a 5% reduction in overall site water consumption, while generating an NPV of \$0.85 million.



Water Withdrawals GRI 303-3

Only a small proportion of water intake ends up in products (e.g., consumption). The total volume of water intake globally has been relatively consistent as a result of the combined impact of process efficiencies, business portfolio changes and growth. We strive to further reduce overall intake by exploring sustainable water circularity options looking at both internal and external sources. Rainwater is recovered in multiple locations and reused for firewater and other purposes, but rainwater volume compared to other intakes is relatively small.

In 2020, our overall water intake increased, due to an increase in seawater intake for cooling purposes.

Freshwater intake intensity is tracked for Dow’s six key water-stressed sites. In 2020, the freshwater intake intensity at these sites was 10.63, nearly equal to the 2015 baseline.

In an effort to improve the accuracy of our water accounting, all of our key water-stressed sites will be reporting freshwater intake on a monthly basis while also aligning with water GRI categories and definitions of the Water and Effluents 2018 GRI 303, as reflected in the table to the right. This process uncovered a key water-stressed site reporting third-party recycled water as virgin fresh water and historical data was adjusted accordingly. All sites will be migrated to the new standard for reporting in January 2022.

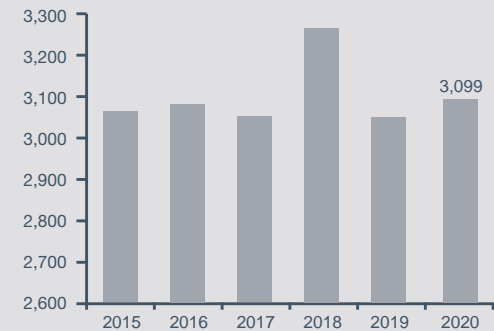
Roughly 80% of Dow’s freshwater intake at our six key water-stressed sites is at our largest manufacturing site in

Freeport, Texas. Additional efforts were completed in 2020 to reduce freshwater intake at that site, including:

- Installation of water meters:** The Freeport site is located along the Brazos River, a seasonally stressed river where both extreme rainfalls and drought co-exist. In 2021, two new water meters will be installed in order to distinguish water losses associated with weather and actual water used by our own manufacturing assets and other water users.
- Assessing external opportunities to conserve water:** Most of the easily identifiable and executed water conservation opportunities at the site have been completed. The Freeport team is completing a technological assessment to gain further understanding of external opportunities aided by basin diagnostics. One such effort involves understanding highly localized, scenario-based solutions for the basin’s various water users – including farmers, governments and corporations.

85% of source water is returned to the watershed at equal or better quality than at withdrawal, according to water-use assessments at Dow sites with the highest freshwater intake. GRI 303-4

Total Water Intake in Millions of Metric Tons (All Sources)#



2020 Freshwater Withdrawals (Breakdown by Source)

All Sites		Key Water-Stressed Sites	
Source	Millions of Metric Tons	Source	Millions of Metric Tons
Purchased Water	101	Groundwater	0
		Surface Water	17.66
		Produced Water – Fresh Water	0
		Seawater – Fresh Water	0
Surface Water	1,826	Surface Water	184.7
Groundwater	35.7	Groundwater – Fresh Water	0.36
Other	0	Seawater – Fresh Water	0
		Produced Water – Fresh Water	0
Total	1,963		202.7

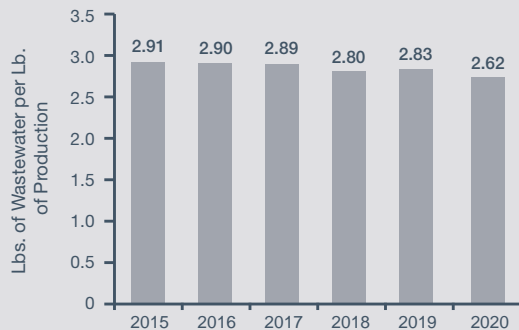


Water Discharges GRI 303-4, 306-103

Dow appropriately treats and monitors the quality of water discharged back to the environment. The total volume of treated wastewater discharged in 2020 was 119 million metric tons. The majority of the water is discharged as surface water, with a small portion returned to oceans. At a few sites, Dow site wastewater goes to a third party for treatment before discharge (typically to surface water).

Wastewater intensity is the ratio of pounds of wastewater per pound of production. Over many years, our wastewater intensity has been relatively consistent at approximately three pounds of wastewater discharged per pound of product. The majority of our total water intake is returned to the environment, as it is used for cooling purposes in energy generation and chemical manufacturing. The difference between water intake and water discharge is mainly due to evaporative losses associated with evaporative cooling practiced in locations to minimize water intake.

Wastewater Intensity

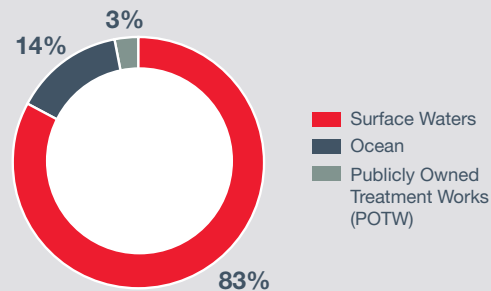


WASTEWATER QUALITY GRI 303-2

Wastewater quality is strictly governed by local regulations, and parameters are set specifically for each watershed. Dow's operations abide by these local regulations. Therefore, wastewater discharge quality is not reported consistently across all Dow sites. Total Suspended Solids (TSS) and Biochemical Oxygen Demand (BOD) are reported for the sites listed here, which account for more than 85% of Dow's wastewater discharge.

Our seven major wastewater discharge sites were identified to establish the baseline for the 2015 Sustainability Goals and account for more than 80% of our total discharge. The six key water-stressed sites were added to the wastewater discharge quality reporting at the launch of the 2025 Sustainability Goal to reduce freshwater intake intensity at these sites by 20%. The TSS discharge concentration across the sites has been relatively consistent. (2016 TSS was 0.005%, and the BOD concentration was 0.004%.)

Discharge Destination



Sites Included in Wastewater Discharge Quality Reporting	
Largest Wastewater Discharge Quantities	Key Water-Stressed Sites
Aratu, Brazil	Bahía Blanca, Argentina
Deer Park, TX	Böhlen, Germany
Freeport, TX	Freeport, TX
Midland, MI	Seadrift, TX
Plaquemine, LA	Tarragona, Spain
Stade, Germany	Terneuzen, the Netherlands
Texas City, TX	



Clean Water and Sanitation for All

Dow is supporting efforts in water-stress basins through the [Global Water Challenge](#)², a coalition of leading organizations committed to achieving universal access to safe drinking water, sanitation and hygiene and women's empowerment.



Biodiversity GRI 304-103

In our work with The Nature Conservancy, we have defined nature as *“the Earth’s collective inhabitants and nonliving environments interacting as functional ecosystems and providing services such as clean water, clean air and healthy soil.”* To date, we have looked at biodiversity as being expressed through making positive contributions via projects that impact clean water, clean air and healthy soil, which, in turn, supports biodiversity. This work, as well as our efforts around our [Valuing Nature 2025 Sustainability Goal](#)⁷ and ecosystem services quantification, provide a solid foundation of methods, tools and a framework to build on. We have recognized the need to add biodiversity as an additional dimension to our sustainability journey, as we understand that protecting biological diversity is important for the survival of plant and animal species, genetic diversity and the natural ecosystems that provide clean water and air. Deterioration of biodiversity jeopardizes the provision of ecosystem services that our value chain depends on and adversely impacts sustainable development. This can translate into economic and social losses that endanger our own well-being.

STRATEGY AND MANAGEMENT

Developing strategy and management practices for biodiversity will mirror our approach to other environmental topics such as energy, water, emissions, effluents and wastes. We will begin with additional measurements to understand our biodiversity impact.

2020 ACTIVITIES

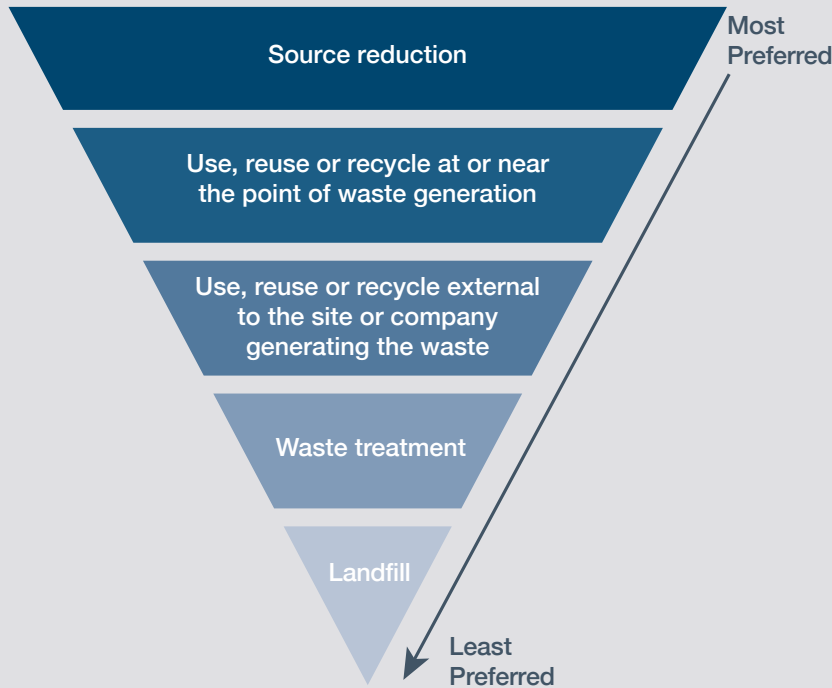
- As part of our collaboration with The Nature Conservancy, we initiated a specific task force to investigate biodiversity assessment tools, research best-in-class companies’ approach to the topic, and learn from key collaborations to craft a relevant and fit-for-purpose strategy and management practices based on the best science.
- Dow was invited and joined the Aligning Biodiversity Measures for Business collaboration, launched by the UN Environment Programme World Conservation Monitoring Centre Europe, the Capitals Coalition, Arcadis and ICF. This project will assist the European Commission’s efforts to support businesses and other stakeholders in developing a standardized approach to both biodiversity measurement and natural accounting practices.
- We initiated a project assessing biodiversity via both a species delineation and ecosystem services lens on a Dow property in Latin America. [Learn more.](#)



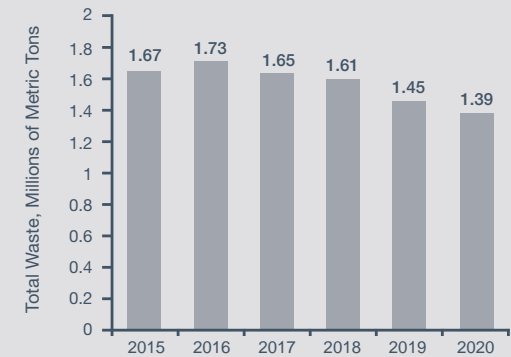
Waste

GRI 306-103, 306-2

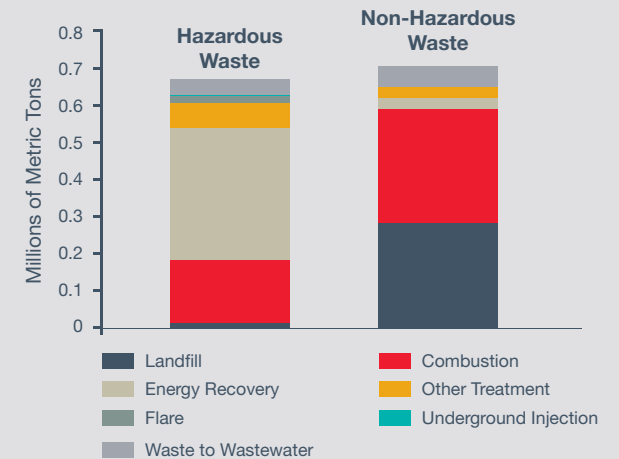
It is Dow's policy to adhere to a waste management hierarchy that minimizes the impact of waste and emissions on the environment. First, we work to eliminate or minimize the generation of waste and emissions at the source through research, process design, plant operations and maintenance. Second, we also find ways to reuse and recycle materials. Next, unusable or non-recyclable hazardous waste is treated before disposal to eliminate or reduce the hazardous nature and volume of the waste. Treatment may include destruction by chemical, physical, biological or thermal means. Disposal of waste materials in landfills is considered only after all other options have been thoroughly evaluated. Total waste disposed of in 2020 was 1.39 million metric tons.



Waste in Millions of Metric Tons



Waste Distribution





Significant Spills GRI 306-103

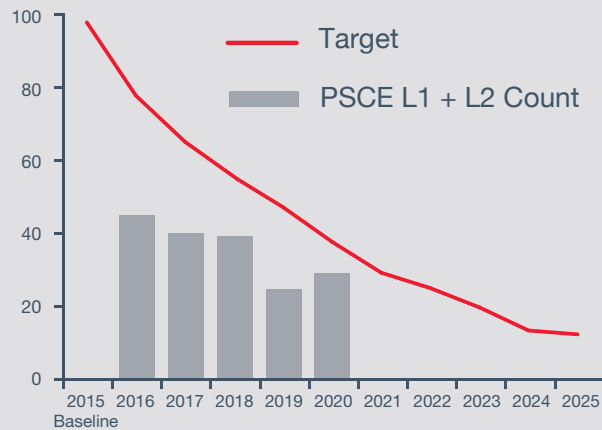
In 2016, Dow began using a new metric, Process Safety Containment Event (PSCE). Our PSCE metric is derived from an industry best practice, API RP-754. As an industry leader in sustainability performance, we have been heavily involved in the development of this metric. We believe aligning to this measure will help us achieve an even higher level of performance related to the containment and control of the materials we handle and produce.

Similar to the approach we are now taking with injury and illness measurement, our PSCE metric focuses on both incidents that have the greatest impact, as well as incidents with the greatest potential for significant impact, including process damage, interruption or possible impact on our surrounding communities. We have defined Levels 1-4, with Level 1 incidents having the highest actual or potential impact. By 2025, our goal is to reduce the number of Level 1 and Level 2 events by more than 80% from our 2015 baseline.

In 2020, the company had 29 PSCEs, well below our target line for achieving our 2025 goals, but up from our 2019 performance. We will continue our focus on PSCE

reduction, specifically targeting improvement in the quality and use of our operating discipline and in our mechanical integrity preservation management system implementation. We also will strive to continue to understand and prevent our near misses with the greatest potential for avoidance.

Process Safety Containment Event 2025 Goal Curve





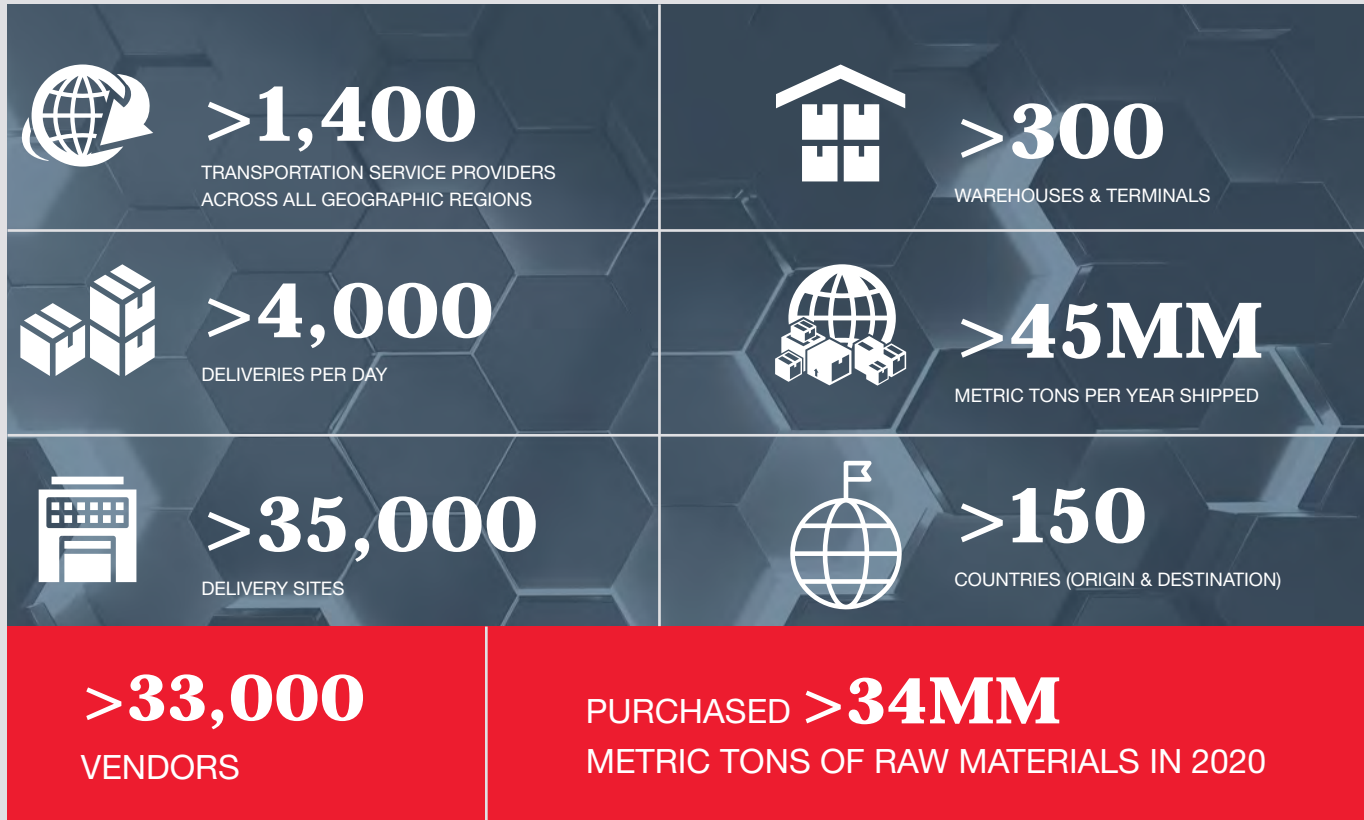
Supply Chain: Sustainability in the Value Chain

Our supply chain extends to 60+ countries with a base of more than 30,000 vendors. Because of its global reach, we see supply chain sustainability as a key enabler of Dow's overall corporate sustainability strategy.

TEAM DOW SUPPORTS PROGRESS

At the heart of the supply chain are our people – the people who source the materials vital to our products and organize our supply chain networks, as well as the thousands of people who manufacture our raw materials and products. In addition, a network of more than 1,000 transportation operators links the materials and products we source to our facilities and, ultimately, to our customers. Each of these people holds the key to reaching Dow's sustainability goals. Each can make a difference by noticing where efficiency can be improved, where lower-carbon options can be implemented, where waste can be reduced, or where circularity can be enhanced.

METRICS





Supply Chain and Climate

Purchased goods and services make up more than half of Dow's supply chain (Scope 3) emissions. Working with our suppliers to advance end-to-end transparency will help us understand and reduce Dow's climate impact.

In addition, we are working to reduce our carbon footprint in transportation. Our Green Transportation strategy consists of internal activities to measure and reduce our impact, as well as external engagement with customers and our logistics services providers (LSPs) to drive improvements and promote sustainable logistics.



CASE STUDIES: SAVING CARBON ACROSS THE SUPPLY CHAIN

Modal switches and load consolidations have been common types of supply chain improvement projects for years, often because they also save costs. More recently, we are examining how these projects can have a positive impact on the environment as well. Below are project examples in which we estimated the environmental savings of the projects.

Transportation optimization: In North America, we are leveraging technology to reduce the number of trucks hauling material to customers by consolidating shipments to improve trailer utilization. A transportation optimization engine is helping identify shipment consolidations when products can be shipped together while respecting all relevant constraints, including but not limited to material compatibility, route, temperature requirements and delivery times. In 2020, more than 1,500 shipments were consolidated.

ESTIMATED EMISSIONS REDUCTIONS: MORE THAN 8,000 METRIC TONS OF CO₂e

Implementing electric forklifts: LSP Sinotrans upgraded eight forklifts in their warehouses for Dow operations, allowing all of Dow's goods to be moved using the electric forklifts. Using electric forklifts will eliminate more than 21,700 liters of diesel per year.

ESTIMATED EMISSIONS REDUCTIONS: MORE THAN 70 METRIC TONS OF CO₂e

Collaborating through supply chain swaps: The Hydrocarbons business benefits from its widespread pipeline infrastructure in the Europe, Middle East and Africa region to arrange material swaps with industry partners. This practice avoids rush shipments during material shortages and contributes to CO₂ emissions and freight savings, which, in 2020, were \$18 million alone.

ESTIMATED EMISSIONS REDUCTIONS: 9,100 METRIC TONS OF CO₂e IN 2020



Supply Chain and the Circular Economy

In Purchasing, we are increasing the amount of recycled content within our own packaging to help drive the circular economy forward. In Logistics, we are collaborating with suppliers, customers and logistics service providers (LSPs) to redesign new circular supply chains that reuse or recycle packaging, or incorporate post-consumer recycled (PCR) material.



CASE STUDIES: DRIVING CIRCULAR SOLUTIONS ACROSS THE SUPPLY CHAIN

Piloting blockchain technology to aid recyclers: In 2021, we launched a blockchain pilot for our [RENUVA™ Mattress Recycling Program](#) to securely transfer verified product information. The advent of circular products is driving the need for efficient and reliable information sharing along the supply chain. Blockchain technology can speed up information exchange, providing quick access to verified data and enabling traceability. Using the ChemChain platform developed for the chemical industry, Dow will generate digital assets containing key encrypted information on the chemical composition of its solutions. These assets can be integrated into the final polyurethane-based products, ensuring contents can be identified at every stage in a product's life cycle. Recyclers can then easily access this information and identify the most appropriate action for the disposal or recycling of end-of-life mattresses.

Directing waste from landfills: At the Dow Siloxanes Zhangjiagang facility in China, Dow's Purchasing team worked with its waste disposal suppliers to identify new solutions to enable waste from the facility to be recycled. By identifying the waste disposal challenges, Dow Purchasing was able to leverage its current vendor base and locate new vendors who could execute the safe, reliable and cost-effective ways to direct waste away from landfills and to recycling facilities. This project reduced the waste sent to the landfill in 2020 by more than 90% compared to previous years.

Using PCR plastic in heavy-duty sacks: At Dow Tarragona, the plastics used in heavy-duty sacks were updated to include 30% PCR plastic, repurposing 250 metric tons of PCR from landfills.

Closing the loop with recycled IBCs: In Belgium, we worked with our supplier Mauser to use intermediate bulk containers (IBCs) made of PCR materials. Beginning in February 2021, the supplier began using rigid intermediate bulk containers (RIBCs) made of PCR resins instead of virgin HDPE at our Essers site. Mauser is collecting used IBCs, plastic drums and pallets, and sorting them to exclude material that was in contact with hazardous substances. Mauser then washes, palletizes and finally manufactures new RIBCs. With approximately 25,000 IBCs in production for Essers, we expect to save 152 tons of virgin plastics and 237 metric tons of CO₂e annually.





Supply Chain and Waste Reduction

Dow is committed to reducing waste throughout its operations and supply chain. Dow Purchasing and Supply Chain teams work to identify areas where waste can be eliminated, then collaborate with suppliers to find solutions. This can take the form of reducing the use of shrink wrap, eliminating printed paperwork, or finding suppliers who can take materials for recycling – avoiding the landfill. Furthermore, Dow is committed to pellet loss prevention, containment and cleanup in our own facilities, as well as for our external manufacturers and logistics service providers. We continue to advance progress by sharing solutions that have helped us contain pellets with our customers and others in the value chain.



CASE STUDIES: REDUCING WASTE IN OUR SUPPLY CHAIN

De-watering sludge to allow for recycling: Dow Purchasing worked with the production team at our Min Hsiung site in Taiwan to identify new solutions to recycle waste sludge. The wastewater from the Min Hsiung site was too watery to be used by recyclers and was being disposed of in a landfill. By implementing a filter press and heat-treating process, Dow was able to reduce the moisture content of the waste, enabling Dow Purchasing to identify a vendor who can recycle the waste. This saves on waste disposal costs as well as avoids unnecessary trips to the landfill.

Saving paper by going digital: Dow's European International Trade Operations export documentation team switched from paper to digital to fulfill customer need for export documentation for Greece, resulting in up to 1,800 shipments per year moving to paperless.

Eliminating product waste on truck loading lines: The Dow Coatings business introduced a new system for flushing truck loading lines at their Gebze site in Turkey. Flushing loading lines is a requirement to eliminate the risk of cross-contamination. Historically, the team would utilize product to flush the lines, resulting in 300 kg of material wasted per shipment. To counter the problem, a water-based cleaning system has now been introduced and operational procedures modified accordingly. Analysis showed that by changing cross-contamination measures at truck loading bays, we could deliver multiple benefits, including cutting waste and production unit costs and increasing product yield.

Improving returns process: The North America and Europe Purchasing teams are continuing work with plants to improve the returns process by reconditioning the drums and totes for reuse. This will reduce the number of packages that need to go to incineration.





The Role of Purchasing GRI 308-103, 414-103

Responsible procurement of goods is a key part of sustainable development. By assessing and improving our sustainability sourcing practice, we can help improve ecological and social outcomes and contribute to the transition to a more sustainable economy.

OUR AMBITION: EVOLVING FROM COMPLIANCE TO A CULTURE THAT EMBEDS SUSTAINABILITY AS A STRATEGIC AND FINANCIAL ADVANTAGE

We launched a new Sustainable Procurement Strategy, which defines a concrete roadmap for the years ahead around three key pillars.



Our Sustainable Procurement Strategy will enable Dow to make continuous improvements over time based on developments in our key supply chains by:

- **Evolving new and deeper ways of collaborating with our value chain.** At the heart of the strategy is inspiring our team and our suppliers around Dow's goals. We will provide opportunities for everyone to learn about sustainability, and to share ideas on how they can integrate sustainability into their practices.
- **Embedding sustainability into every purchase.** We can leverage the collaborations between procurement staff and suppliers, looking for opportunities to integrate sustainability into contracts, the Code of Business Conduct for Suppliers and beyond. We want to enable Purchasing staff to access robust ESG data and make sustainability a meaningful metric in the decision-making matrix.
- **Advancing end-to-end transparency of our supply chains to identify hotspots in the supply chain where more sustainable alternatives can be sourced.**

Supplier Code of Conduct GRI 308-1

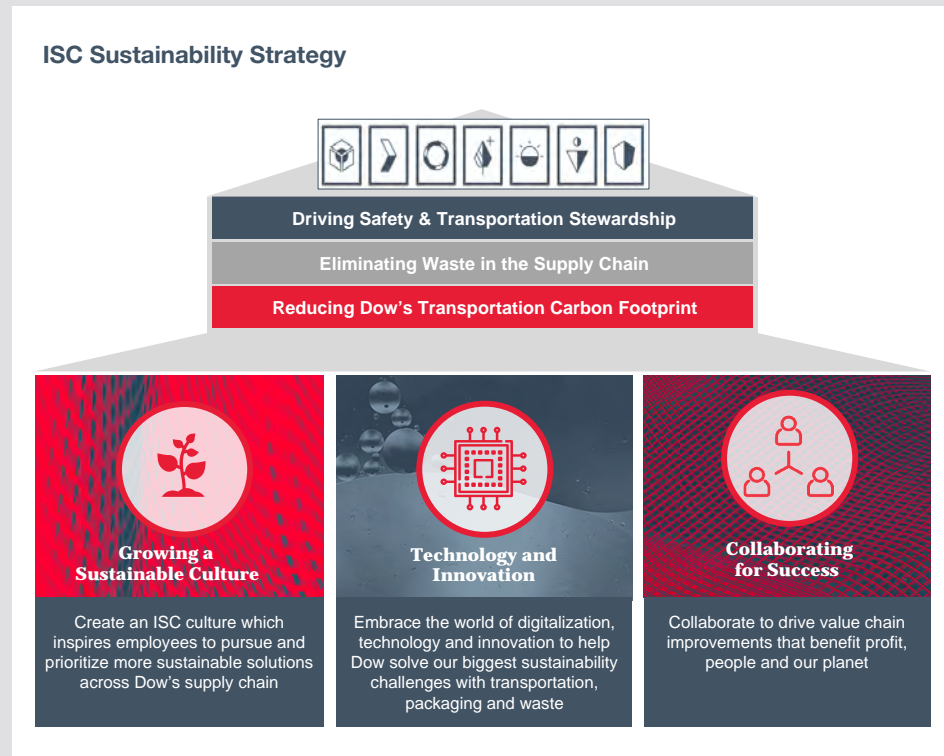
Through the Dow Code of Conduct, we continue to engage new suppliers globally and communicate our expectations that all suppliers are compliant with regulations and Dow's values. We also continually review and refresh the Code of Business Conduct for Suppliers, completing a full analysis of our current standards and industry best practices to ensure that we're holding our suppliers to the highest standards regarding sustainability, human rights, and environmental health and safety. The requirements of the Code of Business

Conduct for Suppliers are built into all new and existing supplier contracts, to ensure they are contractually enforceable. Dow reserves the right to audit supplier compliance at any time. In the case where we identify less-than-adequate supplier practices, we reserve the right to discontinue business with the supplier. Annually, we've identified compliance issues in less than 0.1% of our supplier base, resulting in the immediate cessation of business.



The Role of Integrated Supply Chain

In 2020, Integrated Supply Chain (ISC) launched a new sustainability strategy, which builds from previous efforts, while taking into account Dow's aggressive sustainability targets.



TRANSPORTATION STEWARDSHIP

Dow's Transportation Stewardship Program is an extensive, holistic program focused on driving the industry toward a new standard of transportation safety and security. Dow achieved a number of milestones in 2020 by implementing several initiatives that support our commitment to strengthen transportation safety to reduce risk to people and the planet.



CASE STUDY

Improving temperature monitoring: We made significant investment in temperature telematics and temperature monitoring equipment to our transportation equipment. These investments enable nearly real-time monitoring of temperature-sensitive products, so we can react before a deviation causes a safety concern. In Europe, the smart container implementation was completed in 2020, and there were no emergency events caused by either high- or low-temperature events.



CASE STUDY

Reducing potentially serious incidents: We invested considerable time in 2020 to reduce transportation incidents that had the potential to be more serious than they were (potential transportation incidents). The 2020 program created several joint teams between Dow and logistics service providers to address issues before they escalate in severity.



The Role of Packaging

Dow is following the “4R” principles (Reduce, Reuse, Recycle and Replace) in packaging design and packaging supplier selection, to reduce the carbon footprint in packaging material production and packaging product transportation.

Reducing packaging material is one of the key levers to drive sustainable packaging. Providing minimum but sufficient packaging is the goal. This can include simplifying packaging or replacing heavier containers with those made of lighter materials. Dow is also adopting package reuse as a material-savings strategy. Dow is establishing closed-loop systems between production sites or between production sites and key customers to return empty packages to be cleaned or refurbished for reuse.

Saving Resources Through Packaging

CASE STUDY

Thinner stretch wrap for securing pallets: Dow Asia Pacific has been implementing super-thin stretch wrap film at Dow sites and at 3PL outplants in 2020. Common polyethylene (PE) stretch wrap film is 20-25 microns thick. Enabled by Dow technology (DOWLEX® and ELITE®), the leading film producer is now able to offer 8- to 10-micron films with even better pallet-load securement performance. With the new stretch wrap film, plastic consumption can be reduced by **50% for each pallet load**, resulting in emissions savings of **2.35 metric tons of CO₂e** for 1 metric ton of stretch film material.

CASE STUDY

Using drum liners: Dow continues to find opportunities to reuse drums when a PE liner is inserted into the drum before product filling. After the liners are disposed by the consumer site, clean drums are ready for return and reuse. A PE liner is 1-2 kg in weight in comparison with disposing a whole drum. Thus, the material savings by reuse is significant.



CASE STUDY

Reconditioning IBCs: Dow Europe has also supported the purchasing of reconditioned IBCs. With a reconditioned package such as an IBC, all components (such as the inner container, screw cap and the outlet valve) that came in contact with the previous product that filled it are either replaced with new original components or thoroughly cleaned. Dow Europe purchased more than 17,000 reconditioned IBCs, which are expected to save **~1,300 metric tons of CO₂e** when compared to purchasing new IBCs.



External Collaborations

EXTERNAL MANUFACTURING



External manufacturing (EM) refers to manufacturing services that are performed by an outside party on Dow's behalf using Dow's intellectual property. In 2020, Dow collaborated with more than 200 external manufacturers globally, spending over \$0.5 billion on a diverse portfolio of technologies. All EMs are managed through a robust, risk-based work process that includes a screening of process risks, an initial on-site Environment, Health & Safety (EH&S) audit, and regular subsequent EH&S audits. EM contract agreements also specify that the manufacturer comply with Dow's Code of Business Conduct.

GLEC PARTNERSHIP



Dow is an active member of the **Global Logistics Emissions Council**, a group convened by Smart Freight Centre to drive supply chain emissions reductions through global, harmonized guidelines for reporting and reducing logistics emissions.



OPERATION CLEAN SWEEP

In 2020, Dow amended existing contracts with more than 150 LSPs and 25 EMs who actively handle plastics on Dow's behalf to require participation in the [Operation Clean Sweep® \(OCS\)](#) program. Additionally, Dow revised tracking and reporting capabilities for transportation incidents to specifically reflect the severity of pellet release to water and to track details such as quantity of pellets released, recovered, recycled and released to water. We are confident that formal adoption of OCS by our LSPs will provide recognition for the good work already being done to prevent the release of resins into the environment and close any gaps that may exist in resin-handling work processes.

LOGISTICS SERVICE PROVIDERS



Leveraging our approach to our suppliers and EM suppliers, we also set high standards for our logistics service providers (LSPs) by having in place an extensive risk-based program in order to qualify providers and established periodic follow-up assessments. These assessments include reviewing health and safety practices, labor practices, environmental compliance and security.

DOW SIGNS THE SEA CARGO CHARTER



Dow's bulk marine team became an inaugural signatory to the **Sea Cargo Charter (SCC)** in late 2020. SCC is a framework for measuring, aligning and reporting bulk vessel chartering activities in the interests of achieving established decarbonization targets.

CEFIC PARTNERSHIP



Dow is partnering with the **European Chemical Industry Council**, also known as CEFIC, to develop a methodology for the European chemical industry to calculate logistics emissions.



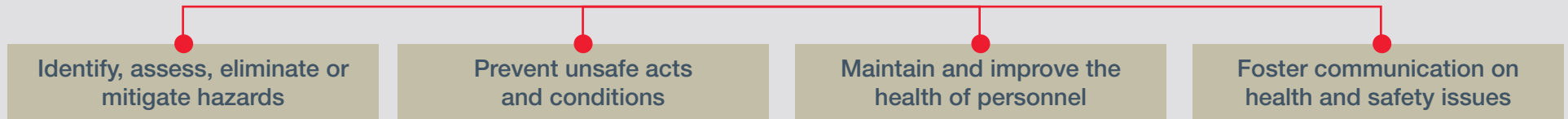


HEALTH & SAFETY:
INTEGRATING SAFETY
INTO ALL WE DO



Advancing a Culture of Health & Safety GRI 403-1, 403-103

The safety and well-being of our Dow people are a cornerstone of our culture. Worker protection has been a priority at Dow since our earliest days. Our goal is to have every worker go home safely at the end of their work day. To ensure worker safety, Dow uses a comprehensive, integrated operating discipline management system that includes policies, requirements, processes, best practices and procedures related to our Environment, Health & Safety, Quality and Operations standards, and related external standards. Through this system, we lay the foundational expectations of hazard assessment and risk mitigation, aligned to Responsible Care®. We expect each organization in Dow to implement and use health and safety programs to:



Our Global Health & Safety Management System

Our management system is grounded in requirements of the U.S. Environmental Protection Agency and Occupational Safety and Health Administration, and incorporates ideas from other global regions. Overall, our management system is based on the following principles:

Stringent

Dow's health and safety processes meet or exceed the requirements of the countries in which we operate. All Dow locations are expected to comply with Dow or local requirements, whichever are more stringent. The management system has been externally assessed and found to meet ISO-14001, ISO-9001 and Responsible Care® code requirements. The system applies globally to all Dow premises and joint venture locations where we have greater than 50% ownership.

Comprehensive

Our management system covers Dow workers regardless of whether they are working on or off Dow premises, and all contracted workers performing work on Dow premises. Workers who deliver materials (e.g., package delivery services) are excluded from our full management system but receive fundamental training if entering our sites. The management system is designed and implemented by professionals employed or contracted by Dow (e.g., Health Services, Industrial Hygiene, and Environment, Health & Safety Delivery).

Global and Site-Specific

Aligned with the global management system, every work group at Dow must establish site- and unit-specific procedures that assure full implementation of our standards and compliance with local regulations. Required self-assessments and independent internal audits monitor compliance and identify best practices, with audit results reviewed by Dow management, including a cross-functional team composed of all business presidents, the senior leader for EH&S, the head of auditing, the chief financial officer and the Board of Directors' Environment, Health, Safety & Technology Committee. In addition, committee materials are available for review by all Dow Board members. The audit management system is reviewed and enhanced annually.



Hazard Identification, Risk Assessment and Incident Investigation GRI 403-2

Leading indicators of occupational health and safety performance play a vital role in preventing injury and strengthening other safety and health outcomes at Dow. A consistent set of globally applied leading indicators is complemented by locally defined leading indicators.

GLOBALLY APPLIED LEADING INDICATORS INCLUDE:

- Non-injury (near-miss) situations with potential to cause a life-altering impact or fatality had the situation been only slightly different (non-injury pLIFE event)
- Percent completion of training for Life Critical Standards
- Internal EH&S management system audit results
- Open actions from Reactive Chemical and Process Hazard Analysis reviews

OUR ROUTINE HAZARD ANALYSIS PROGRAMS INCLUDE:

- Periodic health exams determined by the employee's role and potential exposure to specific workplace hazards
- Qualitative exposure assessment for chemical, physical, ergonomic and biological hazards overseen by professional industrial hygienists
- Regular evaluation and periodic re-evaluation of process safety hazards via our Layers of Protection Analysis
- Personal safety risk analysis performed as a part of numerous work processes (e.g., safe work permit, pre-task analysis and pre-startup safety reviews)

Reporting and Investigating Safety Issues

Workers have direct line of sight to potential hazards. They are expected and encouraged to identify, report and intervene when unsafe or unhealthy work conditions are observed. They also positively recognize coworkers making safe choices.

Worker input on hazards and solutions is part of local near-miss programs and leveraged where appropriate. Retaliation against anyone who raises or reports concerns about workplace safety is prohibited under Dow's Code of Conduct. Apollo™ Root Cause Investigation methodology is used for all recordable injuries and near-miss situations where potential existed for a life-impacting injury.

Consistent use of the methodology ensures we understand the cause and take corrective actions at the point of the problem, as well as at the strategy and management system levels. Significant learnings are shared globally through our Learning Experience Report process. Once hazards are identified, we determine feasible and effective solutions. A tragic loss of life in 2019 triggered a global response and resulted in enacting changes in 2020 to our management system for heavy equipment and moving vehicles. The management system update requires implementation of a hierarchy of controls to prevent accidents related to heavy equipment and reversing moving vehicles.



New safety management systems for heavy equipment and moving vehicles were implemented in 2020



Employee Health and Wellness GRI 403-3

With more than a century of experience in occupational health, Dow is committed to worker health protection. We have honed an effective, systematic approach to Total Worker Health® that comprehensively controls workplace health risks, protects workers and improves the health of Dow people.

Recognizing Hazards

A team of toxicologists, industrial hygienists and physicians apply their expertise and knowledge of the scientific and medical literature and work processes to monitor trends and regulations in worker health assessment. We engage local EH&S operations personnel to help identify workers at potential risk. Worker health hazards are considered as part of the risk review process for new products and changes in the manufacture of current products.

Reducing Risks

We use a hierarchy of controls to mitigate worker health risks. Industrial hygiene guidelines drive use of engineering controls and appropriate personal protective equipment. Travel health services (e.g., counseling, vaccinations and access to local care) reduce risk for endemic or acute health problems while on business. In addition to traditional occupational health risks, we minimize other workplace health risks through fitness for duty, workplace tobacco and substance-use policies, and a fatigue management strategy.

Screening for Illness

Employees who work in areas with high-risk occupational hazards are monitored medically and tracked through our health records system. All workers are provided baseline and periodic medical surveillance, testing, evaluation and health counseling to identify and control work-related health problems. We use the same rigorous standards globally. Health results are carefully monitored through health trend summaries and, when needed, through directed health epidemiology studies.

Confirming the Effectiveness of Our System

We use medical surveillance to assess patterns of recognized occupational illnesses. We also use epidemiology to perform population health surveillance for serious illnesses or other adverse health effects. We track health-related recordable injury and illness cases (e.g., results from potential exposure to chemical, physical or biological substances, or ergonomic workplace stressors), with annual improvement targets. Like other environment, health and safety standards, occupational health requirements are global and meet or exceed local regulations.



**58 health
clinics globally**

Every Dow employee has access to occupational services at no cost through an on-site, company-managed clinic or an off-site provider managed by Dow Occupational Health. In 2020, we had 58 clinic locations. Clinical treatment is available to all employees for work-related injury or illness, and employees can access occupational health care on paid worktime.



Employee Health and Safety Teams GRI 403-4

At all Dow locations globally, workers can participate in Health and Safety teams at the facility and site level. Attendance at safety meetings is an expectation, and select trainings and communications are provided and discussed for the workforce at large. At the local level, employees participate in incident root cause investigations, “fresh eyes” assessments, internal audits and numerous other continuous improvement activities. In most cases, these committees meet at least monthly with the primary purpose of reviewing and acting upon worker safety data and concerns, and developing implementation plans for new or improved government or company health and safety requirements. More than 80% of Dow workers globally are represented in joint management-worker safety committees as a result of government requirements or company union agreements.

EMPLOYEE FEEDBACK FOR CONTINUOUS IMPROVEMENT

Each standard that is part of Dow’s EH&S management system has one or more standard owners who accept continuous improvement input from any employee via the EH&S organization and through a feedback tool on the Standards web page. Improvements are evaluated and prioritized. If a global policy change is indicated, the change is presented to a global policy team for consideration and final approval. Employees are directly and actively engaged in improving local policies, procedures and safeguards (e.g., personal protective equipment selection, unsafe conditions and near-miss programs).

WORKER TRAINING ON OCCUPATIONAL HEALTH & SAFETY GRI 403-5

We provide health and safety training at no cost to workers. Training is role-based and assigned to workers when they take on a specific role (e.g., safe work permits issuer, red tag lock-out isolator). For workers who are not employees but whose work and/or workplace is controlled by Dow, access to such training is provided free of charge within the constraints of co-employment limitations. In addition to formal training, informal safety training is part of every shift, every team and every meeting across Dow. Safety moments, on-the-spot training and safety stand-downs reinforce the culture of safety and the role every employee has in supporting each other’s health and safety.



PEOPLE SPOTLIGHT

SANNY CHAN

Across the world, the COVID-19 pandemic dramatically increased the need for supplies and equipment for health care workers and drove innovation. In Fort Saskatchewan, Alberta, Canada, Sanny Chan, a Dow improvement engineer, has coached a Dow-sponsored *FIRST*® Robotics team for six years and the team wanted to do what they could to help address this critical need. The FTC 10544 Cyber Eagles *FIRST*® Robotics team developed hand sanitizer holsters that health care workers could wear to keep sanitizer easily accessible, saving time and frustration. In total, 250 holsters were 3D printed. Sanny and her team also produced more than 16,000 “ear savers” for local hospitals, clinics, emergency responders and other community organizations. The “ear savers” were designed to prevent irritation from facial covering masks worn by medical professionals.



2020 Safety Metrics GRI 403-9, 403-10

	Area	Fatality Count	Fatality Rate	High-Consequences Work-Related Injuries Incident Count (excl. Fatalities) ¹	High-Consequences Work-Related Injuries Incident Rate (excl. Fatalities)	Recordable Work-Related Injuries Incident Count ²	Recordable Work-Related Injuries Incident Rate ^{2,3,4}	Worker Hours	Fatality Count (Illness)	Total Recordables (Illness) ⁵
Employees and contractors	ASIA PACIFIC	0	0.000	0	0.000	9	0.09	20,875,958	0	0
	EUROPE/MIDDLE EAST/AFRICA/INDIA	0	0.000	0	0.000	18	0.10	35,902,208	0	0
	LATIN AMERICA	0	0.000	0	0.000	10	0.13	15,525,192	0	0
	U.S. & CANADA	1	0.003	1	0.003	50	0.15	67,750,144	0	2
	All Regions	1	0.001	1	0.001	87	0.12	140,053,502	0	2
Employees only	ASIA PACIFIC	0	0.000	0	0.000	5	0.10	10,515,113	0	0
	EUROPE/MIDDLE EAST/AFRICA/INDIA	0	0.000	0	0.000	7	0.06	22,862,815	0	0
	LATIN AMERICA	0	0.000	0	0.000	7	0.17	8,255,041	0	0
	U.S. & CANADA	0	0.000	0	0.000	26	0.14	37,965,888	0	1
	All Regions	0	0.000	0	0.000	45	0.11	79,598,857	0	1
Contractors only	ASIA PACIFIC	0	0.000	0	0.000	4	0.08	10,360,845	0	0
	EUROPE/MIDDLE EAST/AFRICA/INDIA	0	0.000	0	0.000	11	0.17	13,039,393	0	0
	LATIN AMERICA	0	0.000	0	0.000	3	0.08	7,270,151	0	0
	U.S. & CANADA	1	0.007	1	0.007	24	0.16	29,784,256	0	1
	All Regions	1	0.003	1	0.003	42	0.14	60,454,645	0	1

Rates are calculated on the basis of 200,000 hours worked.

¹ High-consequences injuries are Dow's Level 1 injuries, excluding fatalities.

² Illnesses and musculoskeletal disorders are reported within work-related injuries incident count and rate (disclosure 403-9) (all musculoskeletal data are listed as injuries in our reporting database).

³ Recordable injury rate includes fatalities but does not include first aid and precautionary visits.

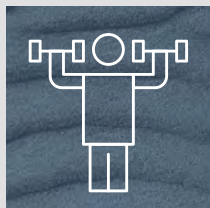
⁴ Recordable injury rate includes Dow employees and contractors performing work at Dow locations.

⁵ One hearing loss event and one thermal stress event are reported using Disclosure 403-10.



Employee Well-Being and Health GRI 403-6

Our commitment to worker health is not limited to occupational health risks. We began a comprehensive wellness program more than 30 years ago because we recognized the value of good health to our employees, their families and our communities.



PHYSICAL



MENTAL



COMMUNITY



FINANCIAL

Dow's well-being strategy is framed across four dimensions – physical, mental, community and financial well-being – for an approach that is holistic, global, employee-centered and outcome-driven. Each dimension has its own set of ambitions, which are coordinated and driven by corporate and functional teams. Engagement is not limited to members of the Human Resources and Occupational Health functions – it benefits from passionate involvement by Employee Resource Groups, Employee Experience champions and Dow's Inclusion and Diversity team. Key ambitions across the four dimensions focus on elements such as workplace stress, psychological safety, resiliency, workload, healthy eating and activities, and social community and inclusion opportunities.

Taking a Grassroots Approach to Elevating Safety Performance

What if our team members on the frontlines led our most important safety conversations? That was the grassroots approach we took in 2020 when launching our “Flatten the Curve” interactive sessions. The virtual exchanges drew in thousands of people and contributed to a dramatic turnaround in safety performance – in effect, flattening the curve on injuries.

This unique program features members of Team Dow who work on the frontlines. These team members tell their stories, and talk about fatalities and severe injuries and how the incidents changed lives. The first session in April 2020 was attended by nearly 500 people. Each subsequent session attracted more than 1,000 people. In each segment, the chat function in the virtual meeting platform exploded with comments, experiences and best practices. With an upgrade of our virtual meeting platform in 2021, these meetings accommodate 3,000 people from around the world. After each session, a link to the recording and the transcription of the chat is sent to the nearly 4,000 people invited to the session. **The results? People say they are inspired to take action and trusted to know the areas of focus to keep their own areas safe.**





Supporting Employee Well-Being

Our well-being objective is that 100% of Dow employees are their best self for work, home and play. Here's a look at a few ways we support employee well-being.



Healthy Culture Index

We track each site's alignment with evidence-based well-being strategies and best practices, including access to healthy foods, relaxation spaces, lactation support, peer and leader support for mental health and resiliency, and access to physical activity.



Employee Assistance Program (EAP)

EAP is available to all employees and their families globally for help with general stress, substance use, financial struggles and family relations. Our EAP also provides on-site emotional health support in response to a personal or work-related incident.



Case Management

We help employees maneuver the health care systems, return to health as soon as possible and maintain their progress. This is offered globally through Dow Occupational Health, and where available by local insurance or worker compensation providers.



Health Benefits

We seek to improve the health of Dow employees by removing barriers to access and pay for appropriate, quality health care around the world. This is done through both medical insurance and other health offerings for employees. The level of support is determined based on the needs of our workforce within a given geography.



Well-Being Champions

Employees across regions, businesses and functions play an active role in supporting peer well-being. They engage in internal social media, share health and safety information, and advocate for use of company and local well-being services. Efforts to optimize Total Worker Health® are recognized annually and Total Worker Health® priorities are key elements for Dow's Sustainability Goals and Performance Awards.



Health Promotion

Health promotion is an integral part of occupational health. It is focused on the prevention of injury and illness through education and support for healthy lifestyle change. Our award-winning program addresses the health issues that Dow families face, on and off the job. This is accomplished by working directly with individuals and by partnering with other Dow disciplines to ensure a work environment that is supportive of healthy lifestyles.



Workers Covered by an Occupational Health and Safety Management System GRI 403-8

All employees and workers who are not employees but whose work and/or workplace is controlled by Dow are required to comply with 100% of health and safety management system requirements. We employ a comprehensive safe work permit system that facilitates a robust dialogue around hazards and mitigation of such hazards for each task.

Regular review of our health and safety management system is built in to evaluate its efficacy. Additionally, we maintain an independent internal audit process, with accountability flowing directly to our Chief Executive Officer, independent of the Operations organization. The audit process ensures that every company location, regardless of purpose, is audited every three to five years. Audit frequency is determined based on the relative risk of the activities at each location. Auditors are trained and certified in each topic area that they evaluate. Gaps identified in these internal audits are addressed via corrective or preventive actions captured in our global corrective and preventive action repository, with gap closure encouraged within 12 months of the audit.

In addition, more than 85% of our manufacturing sites globally receive some periodic external audit. These vary broadly, depending on specific government requirements. For example, more than 85% of our large U.S. and Canada manufacturing sites participate in either OSHA Voluntary Protection Programs or Canadian Federation of Construction Safety Associations' Certificate of Recognition program. More than 50% of external audits globally cover most topics within the Responsible Care® Code or ISO-14001.

COVID-19 Response: Virtual EH&S Auditing

EH&S Auditing overcame COVID-19-related challenges by rapidly constructing and implementing a virtual auditing program in early April 2020. The program uses remote video tools where possible to increase audit coverage. New auditing techniques were identified that will serve as the basis for future program improvements, even after COVID-19-related challenges subside.





Responding with Resiliency and Ingenuity to COVID-19

In 2020, the novel COVID-19 virus upended life for people across the globe. Shutdowns to prevent the spread of the virus changed everything, from the way we work to the way we gather and learn, and also disrupted supply chains. Frontline workers faced critical shortages for medical supplies, personal protective equipment (PPE), and hand sanitizers. This combination of demands created significant challenges across our operations. But as a company built on problem-solving, Team Dow responded.

Safety of Our People

Our first priority was the health and safety of our people. Because Dow products and technologies are essential to support the needs of the medical community in the fight against this pandemic, the vast majority of our manufacturing operations ran full steam ahead.



To keep our people safe, we quickly put in place crisis protocols. We conducted temperature monitoring of employees and contractors to reduce potential exposure risk, changed our work procedures to increase social distancing between coworkers, and provided hand sanitizers and anti-bacterial surface wipes as well as heightened sanitizing protocols. We also posted sitewide guidelines at entry and exit points, and ensured employees had access to a supply of PPE.

We required employees who can work from home to do so, and a large percentage of our workforce shifted to working remotely. Soon, we were conducting 25,000 virtual meetings a day using video capability, allowing our teams to stay connected to our customers and one another, despite the physical distance.

Products for Frontline Workers

Throughout the pandemic, Dow teams have searched for a better understanding of how our assets and products can help fight the virus. To respond to shortages of critical supplies for frontline workers, we shifted our manufacturing lines and created new solutions to help fill the global shortage of personal protective equipment and medical supplies. This included ramping up raw material production for safety and hygiene products, donating PPE and developing an open-source face shield design.



One example: We adjusted manufacturing processes to make hand sanitizer – a product we haven't produced before – [at five of our sites](#)⁷. Our Industrial Solutions team also kicked off a rapid project at our Texas City facility to produce new quantities of isopropyl alcohol, an important raw material for sanitizer, and medical and pharmaceutical applications.



Responding with Resiliency and Ingenuity to COVID-19

Community Support

We've partnered with nonprofits, governments and businesses across the globe to provide aid to frontline workers and help protect vulnerable populations. In 2020, we committed more than \$4 million to help fund global COVID-19 relief organizations and to support nonprofits in communities who are serving those in need.



Across the world, Team Dow rallied to help their communities – donating personal protective equipment to first responders, bringing food and health supplies to the homeless and migrant workers, and providing their expertise through virtual volunteerism. For example, in Malaysia and Egypt, we donated care packages for more than 2,000 low-income families. In Singapore, Dow employees helped raise funds for migrant workers heavily impacted by the pandemic, providing phone plans to connect migrants to families back home. And in Saudi Arabia, we donated surplus computer equipment to a nonprofit organization to support distance learning for local students in need.

As the pandemic has progressed, it also became evident how it negatively affected many people's mental health and created new barriers for people already suffering from mental illness and substance use disorders. In February 2021, Dow announced new mental health investments in partnership with local and global nonprofits, donating nearly \$500,000 to connect community members and employees to essential services for their psychological safety and well-being.

See a [timeline of our actions](#)².

Return to Workplace Playbook

Team Dow includes approximately 35,700 employees worldwide. Throughout the COVID-19 crisis, more than 14,000 members of Team Dow continued to work on site, keeping our manufacturing and laboratory sites running safely, serving our customers. At the same time, 22,000 team members have roles that have allowed them to work from home. As the COVID-19 pandemic enters a new phase, Dow has developed a coordinated plan to safely guide our employees and contractors back to the workplace. Our key principle in this approach is keeping our employees and their families safe and healthy.



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The corporate Crisis Management Team (CMT) is overseeing the process while regional CMTs are implementing it in a phased approach. This provides the flexibility to tailor our return to workplace based on local, country and regional factors, while still aligning to our Corporate Pandemic Crisis Management Plan. Throughout the process, we are involving key stakeholders, such as site and tenant leadership, regional CMT core functions, unions and works councils, local governments, and key industry associations. Our comprehensive plan is captured in the [Return to Workplace Playbook](#)³, which we shared widely with others, including thousands of downloads from our website.



**INCLUSION & DIVERSITY:
INTENTION, ACTION AND
SUSTAINABLE PROGRESS**



2020 – Intentional Focus on Inclusion Drives Sustainable Progress

It goes without saying that 2020 was an unprecedented year – the global COVID-19 pandemic, a 500-year flood in our headquarters location of Midland, MI, a long-overdue national reckoning on race, and multiple severe weather events impacting our Gulf Coast Operations. We believe crisis reveals character – and, while last year was one of the most challenging in our company’s 124-year history, Team Dow did not allow the uncertainties of these crises to paralyze us. Instead, we maintained our intentional focus on inclusion to help us navigate the challenges and capitalize on opportunities, and took action to deliver sustainable progress.

We continued our efforts to improve the diversity of our workforce through early career recruiting and hosted our signature Diamond and BEST Symposia for the first time in a virtual environment. We implemented a new Inclusive Hiring Standard to drive equal access and opportunity for all. We expanded accountability for inclusion and diversity by including metrics in our annual Performance Award design for our top 300 leaders. And, we responded to racial injustice with a holistic plan, Dow ACTs, which is an acronym for Advocacy, Community and Talent. Our Employee Resource Groups (ERGs) were a driving force in creating virtual spaces to connect Team Dow, serve the community, deliver professional and personal development offerings, and provide resources to help employees thrive. As we ended 2020, we refreshed our inclusion strategy with the launch of ALL IN 2025, charting a path to build on our foundation and accelerate progress.

This past year reinforced the message that at Dow “inclusion is not canceled.”

Highlights of sustainable progress in 2020

+2,000
new ERG participants

Achieved **highest-ever**
overall employee satisfaction

Moved up 15 spots on DiversityInc®
Top 50 Companies for Diversity List

Improved representation
of U.S. ethnic minorities and
women globally

Retained 83%
of diverse suppliers
from 2019





Journey to Inclusion 2020

In 2017, we began an intentional journey to cultivate a culture of inclusion across Dow. Over a three-year period, we took deliberate action to ensure sustainable progress. The Inclusion 2020 strategy sparked a grassroots movement across the company. The intentional efforts of thousands of Dow people helped move the needle on all of the key performance indicators (KPIs) and elevated Dow as a leader in inclusion.

INCLUSION & DIVERSITY KPIs

2017		2020
15.1%	GLOBAL ERG PARTICIPATION	48.9%
68%	OVERALL EMPLOYEE SATISFACTION	74%
27.4%	GLOBAL REPRESENTATION OF WOMEN	28.1%
21.9%	U.S. ETHNIC MINORITY REPRESENTATION	25.1%
0.3%	U.S. SUPPLIER DIVERSITY SPEND	1.02%

INCLUSION & DIVERSITY RECOGNITION

Recognition in 2020

15 YEARS

4 YEARS

3 YEARS

2020

OUT & EQUAL

RANKED #8

CERTIFIED IN 8 COUNTRIES

EDGE CERTIFICATION

involve

2 YEARS

RANKED #22

DiversityInc

SPECIALTY LISTS:
 EMPLOYEE RESOURCE GROUPS
 SUPPLIER DIVERSITY
 PEOPLE WITH DISABILITIES
 LGBT EMPLOYEES
 PHILANTHROPY
 EXECUTIVE DIVERSITY COUNCILS
 ESG

Recognition in 2021

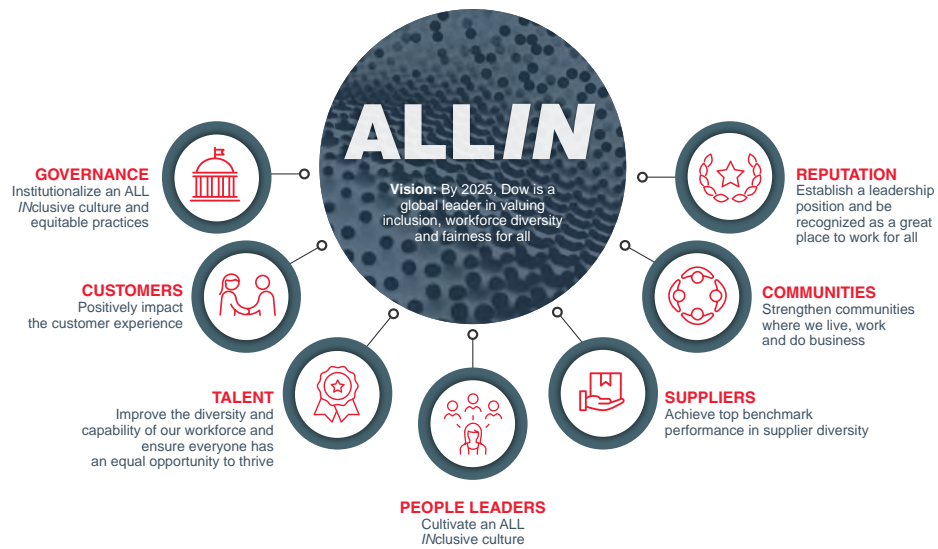
- Earned a place on the Great Place to Work® and Fortune 100 Best Companies to Work For® list for the first time
- Named to Great Place to Work® Best Workplaces™ lists in Argentina, Canada, Colombia, Mexico and Saudi Arabia
- Ranked #19 on DiversityInc's Top 50 Companies for Diversity list and placed on Top Companies for ERGs, People with Disabilities and ESG lists



ALL IN 2025

As we closed out 2020, we refreshed our inclusion strategy to focus on accelerated progress through ALL IN 2025. We will continue to lead with inclusion, while focusing on diversity and embedding equity into our policies and practices.

INCLUSION, DIVERSITY AND EQUITY STRATEGY





Our Governance GRI 401-103

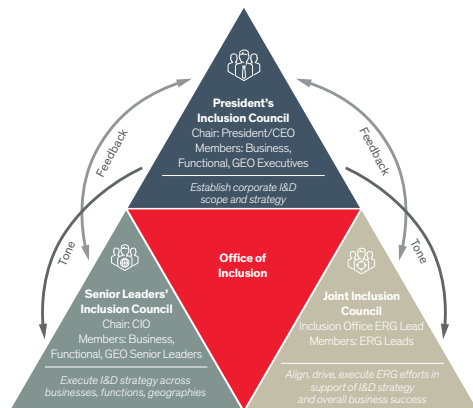
A GOVERNANCE STRUCTURE DESIGNED TO ADVANCE ID&E AT ALL LEVELS

Dow's global ID&E strategy is led by our Chief Human Resources and Inclusion Officer Karen S. Carter, who reports directly to Chairman and Chief Executive Officer Jim Fitterling. This strategy has been endorsed by Dow's Board of Directors, and progress is reviewed as part of the Compensation and Leadership Development Committee of the Board.

Three Inclusion Councils drive the ID&E strategy from the top of the company and across the enterprise.

- The President's Inclusion Council defines and supports Dow's ID&E strategy from the top.
- The Senior Leaders' Inclusion Council influences change through senior and mid-level business, geographic and functional leaders.
- The Joint Inclusion Council collaborates to drive maximum employee engagement through ERG leadership.

This three-tiered approach is designed to represent and reach employees around the globe, while providing autonomy to set ID&E priorities and plans that are relevant and appropriate to the businesses, functions and geographies. Although each council plays a unique role, there is ongoing feedback between them. This governance structure drives enterprise-wide alignment, engagement and progress.



Rewarding Inclusive Performance GRI 201-103

PERFORMANCE AWARD PROGRAM DRIVES ESG ACCOUNTABILITY

Dow's 2020 annual Performance Award bonus program was redesigned to include a new ESG index and further drive accountability across the organization. This new design was approved by our Board of Directors and holds Team Dow accountable for delivering on our company ambition by including targets on customer experience, sustainability, and inclusion and diversity (I&D). The I&D metrics (Global ERG Participation, Global Representation of Women, and U.S. Ethnic Minority Representation) were directly aligned to the annual Performance Award bonuses of Dow's top 300 leaders. In 2021, we further expanded shared accountability for enterprise I&D metrics to all ~2,800 people leaders across the company globally and leaders at senior director levels and above.

	Metric
Financial	Operating EBIT (\$B)
	Free Cash Flow ¹ (\$B)
ESG Index	Customer Experience CXi
	Sustainability World-Leading Operations (WLO) Index ²
	Inclusion & Diversity ³ Global ERG Participation
	Global Representation of Women
	U.S. Ethnic Minority Representation

Operating EBIT is defined as earnings (i.e., Income (Loss) before income taxes) before interest, excluding the impact of significant items.

¹Free Cash Flow is defined as "Cash provided by operating activities - continuing operations" less capital expenditures.


²The WLO Index is a composite of four indices: Unplanned Events, Total Worker Health, Environmental Stewardship and Transportation Stewardship.

³Dow policy prohibits hiring, firing or promoting on account of an individual's race, gender, disability status, religion, age, sexual orientation or any other protected status.



Our ERGs – Inclusion in Action

Across Dow, our 10 Employee Resource Groups (ERGs) answered the call to take on a greater role to foster a truly inclusive workplace. Despite the challenges of 2020, our ERGs did not retreat. They stepped up, accelerated our I&D progress and transformed the employee experience by keeping us connected.

 **10** ERGS | **600+** CHAPTERS | **>18,500** EMPLOYEES

 **16%** increase in **ERG PARTICIPATION**
(2,000 new ERG participants)

98% of people leaders **PARTICIPATE IN ERGS**

#2 DIVERSITYINC®
Top Companies for Employee Resource Groups Specialty list





ERG Executive Sponsors

The commitment of Dow leadership to our ERGs speaks to their importance to our company. Executive-level leaders serve as active sponsors and strong allies, who are engaged in advancing the ERGs' goals.

	<p>A.N. Sreeram Chief Technology Officer, Senior Vice President Research & Development</p>			<p>Diego Donoso President, Packaging & Specialty Plastics</p>	
	<p>John Sampson Senior Vice President, Operations, Manufacturing and Engineering</p>			<p>Melanie Kalmar Corporate Vice President, Chief Information Officer and Chief Digital Officer</p>	
	<p>Jim Fitterling Chairman and Chief Executive Officer</p>			<p>Rebecca Bentley Vice President of Public Affairs</p>	
	<p>Amy Wilson General Counsel and Corporate Secretary</p>			<p>Jane Palmieri President, Industrial Intermediates & Infrastructure; Asia Pacific oversight</p>	
	<p>Mauro Gregorio President, Performance Materials & Coatings; Latin America oversight</p>			<p>Howard Ungerleider President and Chief Financial Officer</p>	



Asian Diversity Network (ADN)

ADN celebrated its 20th anniversary in November 2020. In the past two decades, participation has grown to 4,500 members and 23 chapters. From the onset of the global pandemic, ADN took a leading role in educating employees about COVID-19 and dispelling myths that blame Asians for the global pandemic. In 2021, ADN is spearheading listening sessions and discussions about the rise in racially motivated harassment and violence against people of Asian descent.



Asian Diversity Network

2020
PARTICIPATION
↑ **19%**

SUPPORTING A SPECIAL NEEDS SCHOOL IN CHINA

Since 2008, ADN has supported the Zhangjiagang (ZJG) Special Education School. In 2020, ADN leveraged the ALL /N ERG Fund to improve teaching conditions and enhance students' social skills and self-confidence. With the funds, ADN:

- Donated equipment for the school to provide psychological assessment tools for students with autism.
- Helped decorate the school's multifunctional living room and improve teaching conditions.
- Sponsored parent-child sports games and purchased clothing.



“The Asian Diversity Network was formed with a focus on elevating the gap in upward movement of Asians, breaking down stereotypes and changing perceptions.”

– Lotus Huang, APAC ADN regional leader





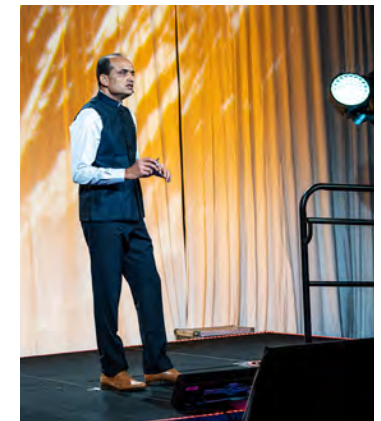
Disability Employee Network (DEN)

DEN continued to play an instrumental role in changing perceptions of people with disabilities and raising awareness about the contributions they make inside and outside of Dow. In collaboration with other ERGs, DEN hosted global educational interactive sessions that expanded people’s understanding of disability – from the visible to the invisible – and how everyone can be an ally.

DEN AND ADN RAISED FUNDS TO HELP PEOPLE WITH DISABILITIES IN INDIA ACCESS VACCINES

The COVID-19 pandemic disproportionately impacted people living with disabilities in several ways. For India’s ~200 million people with a disability, COVID-19 vaccines offered hope of both protecting themselves against the virus and regaining their livelihoods. However, they faced a particularly dire situation as the country experienced record-breaking cases of COVID-19 and additional barriers accessing vaccination centers.

As of May 2021, Sudhir Shenoy, senior vice president of EQUATE and DEN ally, has raised enough money to impact 4,824 lives in India.



DEN and ADN partnered to raise funds for the Adventures Beyond Barriers Foundation (ABBF). The donations supported allies and volunteers who took on the complex challenge of facilitating vaccinations for people with disabilities in India. The money raised helped ABBF volunteers educate people with disabilities on the vaccine, register them for priority slots at vaccination centers and organize transportation to their appointment.



2020
PARTICIPATION
↑ **16%**



PEOPLE SPOTLIGHT

PIETRO SANCHINI, DEN LATIN AMERICA

Pietro Sanchini, commercial support specialist, said, *“In this moment of isolation when we can’t touch, it is as if we are blind a second time. But Dow has been supporting us. I have daily meetings with my team. I feel they are close, and I use technology to hear their voices, even though they are far away. At Dow, we have reinforced the importance of an information system that is accessible to everyone. Without this system of integration and interaction, I would be totally isolated from the world and unable to perform my duties. Having this support from Dow has been paramount for me to feel productive and not isolated. Through this experience, I have learned something that I will carry throughout my life: We learn from our differences, and our differences make us better.”*



Global African Affinity Network (GAAN)

In 2020, GAAN had a record increase in participation. In the face of a global reckoning on race, GAAN took a leading role in giving voice to Black employees' experiences in forums with colleagues and with Dow's leaders. The goal? Listening, learning and action. A listening session between GAAN and senior leaders became the genesis for Dow ACTs, our framework designed to address systemic racism and inequity. Additionally, GAAN partnered with Dow businesses to better meet the needs of Black consumers.

GAAN CHAMPION AWARDS

Dow's first-ever GAAN Champion Awards recognized employees who advocate for racial equality, cultivate talent across the pipeline, drive positive cultural change within the company, and volunteer and engage in their communities.

- Advocacy: Eneas Sousa**, a cost accountant for Dow Polyurethanes, has been a tireless advocate for GAAN in Latin America and Europe – setting up a mentoring program in Brazil and helping launch GAAN EMEA.
- Cultural Awareness: Elieth Batista Fonseca**, an environmental, regulatory and compliance specialist, helped create workshops and training sessions for Inclusion Week Brazil and a GAAN-sponsored workshop called "Inclusion Has All Colors."
- Build & Retain: Bola Oshin**, a finance manager for Dow Industrial Solutions, has taken the lead in recruiting Black students for finance roles at Dow and mentoring employees.
- Volunteerism: Melanie Robinson**, an improvement engineer, has worked with the Young Leadership Council, Junior Achievement and Dow to hold at least two STEM events per year.



GAAN AND DOW HOME & PERSONAL CARE BUSINESS PARTNER FOR TEXTURED HAIR CARE

Dow's Home & Personal Care team partnered with GAAN to identify the unmet haircare needs of African heritage consumers in the textured hair care market. The feedback is helping the business advance its testing capabilities and develop new formulation offerings for end-market consumers, exemplifying how ERGs can serve as business partners.



GAAN expanded in the Asia Pacific and Europe, Middle East, Africa and India regions, launched Dow ACTs in Brazil, and joined several international partnerships to help diversify the workforce.



2020
PARTICIPATION
↑54%



GLAD

In 2020, GLAD, Dow's LGBTQ+ and Ally ERG, celebrated its 20th anniversary. Over the years, GLAD has been instrumental in helping to ensure that Dow is an inclusive workplace for LGBTQ+ employees, including extending employee benefits to same-sex partners, adding gender identity to our non-discrimination policy, and becoming the first chemical company to score 100% on the Human Rights Campaign Corporate Equality Index. In 2020, Dow earned its 15th consecutive 100% score for this index.

APPRENTICESHIP PROGRAMS FOR TRANS WORKERS IN LATIN AMERICA

Too often, trans people in Latin America cannot access a safe, supportive education due to the fear of discrimination and violence. GLAD launched programs in Brazil and Argentina to address this issue:

- In **Brazil**, the country's Young Apprentices Program is the gateway for many young people to join the job market. The program trains young workers under special temporary contracts to help them successfully complete the transition from school to work. Dow Brazil is focusing its 15-month program on training and development of trans people so they are able to compete in the job market both at Dow and at other top multinational companies.
- In **Argentina**, Dow initiated a project in partnership with other major global companies called the Transgender Learning Program, which hires young trans people between the ages of 18 to 25, who have a high school education. Over the course of six months, each apprentice works at various partner companies, such as Dow, where they engage in daily tasks and activities, build their professional network, and receive training to further develop their skills. At the conclusion of the program, many are highly sought after by Dow and other companies due to their knowledge and experience.



2020
PARTICIPATION
↑13%

ERG Spotlight

In partnership with GLAD, Dow Asia Pacific added formal criteria to its people policies to broaden its definition of "family," in alignment with local regulations. People who do not have a marriage certificate, including LGBTQ+ couples, may submit a domestic partnership declaration to access family-related employee benefits.



Hispanic Latin Network (HLN)



Hispanic & Latin Network

2020
PARTICIPATION
↑ 29%

Despite the constraints of the pandemic, HLN brought the concept of *connection* to life in 2020 – establishing connections in new regions, strengthening *connections* with participants and building *connections* in our communities. HLN founded three new chapters in 2020 – Stade, Germany; São Paulo, Brazil; and the Carrollton/Louisville, Kentucky hub. This gives HLN a presence in three out of four Dow regions, with plans to expand to APAC in 2021.

HLN BENELUX STARTS #ISTAYATHOME MAGAZINE

During the COVID-19 pandemic, HLN launched #StayatHome magazine. The magazine provided a Taste of the Latinx culture through educational articles and cultural signposts such as recipes and movie recommendations. The purpose was to encourage HLN participants across the world to learn more about Dow's diverse Latinx community, while also providing a sense of connection amid widespread stay-at-home orders.



TUTORING AT THE WHARTON DUAL LANGUAGE ACADEMY

Houston Dow Center HLN participants volunteered as tutors at the Wharton Dual Language Academy, a public school within the Houston Independent School District. The Academy focuses on giving students the opportunity to become fully bilingual in English and Spanish through their language immersion method. HLN volunteers tutored children in both languages.



PEOPLE SPOTLIGHT

MAURO GREGORIO

Involve, a global network and consultancy championing diversity and inclusion, named Mauro Gregorio, president, Performance Materials & Coatings and oversight for Latin America and HLN's executive sponsor, as the No. 1 executive in its 2020 EMpower Top 100 Ethnic Minority Executive Role Models list. The list recognizes leaders across the globe who are helping break the glass ceiling for ethnic minorities.

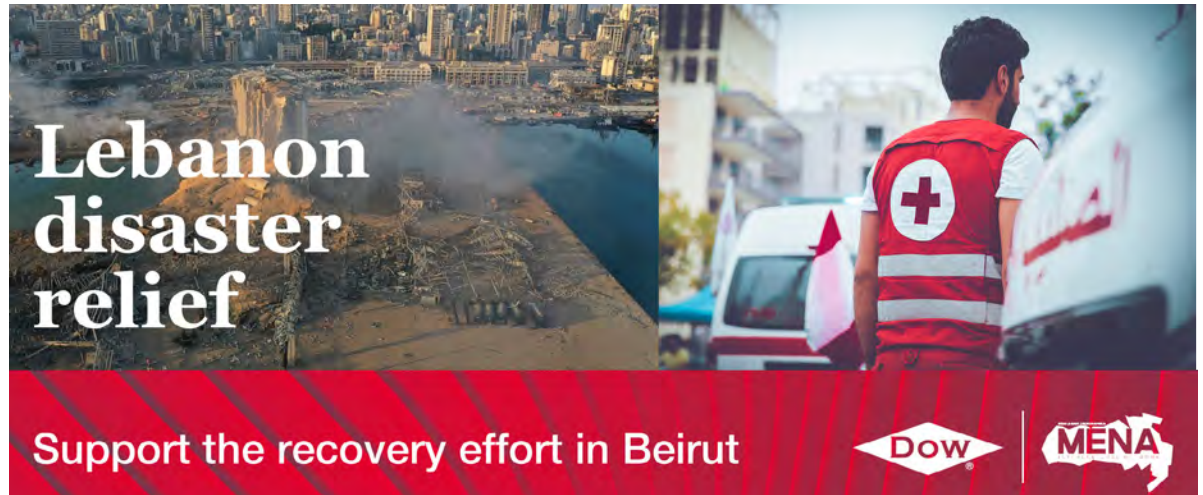


Middle East North Africa Intercultural Network (MENA)

MENA continued to build on its four strategic areas: thought leadership, culture and traditions, learning and development, and strategic outreach. Efforts in 2020 centered around bringing awareness of issues related to the region and breaking stereotypes. For instance, MENA launched an awareness campaign for Ramadan and held an educational event on doing business in the Kingdom of Saudi Arabia.

MENA SUPPORTS LEBANON DISASTER RELIEF

In addition to advancing their mission of breaking stereotypes and bringing cultural awareness, MENA accelerated relief and recovery efforts in response to the disastrous explosion in Beirut, Lebanon, in 2020. The MENA team, supported by Executive Sponsor Diego Donoso, coordinated employee and company efforts to raise \$300,000.



2020
PARTICIPATION
↑ **25%**



MENA organized its first-ever global webcast for all of Team Dow to discuss the implications of the COVID-19 pandemic on the Middle East, the impact on Dow businesses and our strategy moving forward in the region.



PR!ME

PR!ME, Dow's ERG for employees 50 years or older, continued to elevate the experiences of these employees, highlighting that they are in the prime of their careers. Throughout the year, participants shared their knowledge of Dow, their career journey and the lessons they learned about professional and personal development.

In the EMEAI region, PR!ME hosted a series of "Career Journey & Next For Me" sessions, where PR!ME employees reflected on their career and next steps to reinvent their expertise to have continued impact. PR!ME participants from EMEAI also presented an Experience Masterclass for RISE, WIN and audiences outside of ERGs.



pr!me

2020
PARTICIPATION
↑15%



ERG Spotlight

Two New ERG Chapters Launched in Saudi Arabia

While the COVID-19 pandemic caused many events to be delayed or canceled, Dow employees remained steadfast in their commitment to advancing a culture of inclusion. In 2020, Saudi Arabia launched two new ERG chapters – PR!ME and the Asian Diversity Network. The virtual launch events had strong support across the Kingdom of Saudi Arabia, with many participants joining from the Middle East Innovation Center, the Khobar office and Sadara, a Dow joint venture.



RISE

RISE is Dow's ERG for employees who have been with the company less than eight years. RISE participants served as both mentors and mentees through a traditional mentoring initiative and a first of its kind "reverse mentoring" program at Dow. Additionally, to combat the separation brought on by the pandemic, RISE identified and implemented new ways to connect Team Dow.

In Asia Pacific, RISE promoted mentoring and reverse mentoring programs aimed at bridging generation gaps. Forty-two people participated in China and 20 in Indonesia. Sessions in Singapore and New Zealand are planned for 2021.



ENGAGING TEAM MEMBERS WHO WORK FROM HOME

RISE formed a new chapter, Virtual Office and Small Sites (VOSS), to engage employees who work virtually and at small sites in North America. The VOSS chapter officially launched in 2020. The chapter held its first social event in December, which served as a "Holiday Send-Off."

“The VOSS chapter is an opportunity to develop a community and foster a sense of belonging for new members of Team Dow.”

– Michael Terrasa, RISE site implementation leader

RISE

2020
PARTICIPATION
↑ **16%**



Veterans Network (VetNet)

VetNet continued to focus on leveraging the experience, leadership and skills of veterans and service members and providing opportunities for growth and development at Dow.



2020
PARTICIPATION
↑ 20%

TEAM RUBICON AND TEAM DOW SERVE COMMUNITIES IN TIME OF NEED

Team Rubicon mobilizes veterans in the wake of disasters to serve communities in their time of need. And Team Dow and the communities in which we operate have benefited from these services, as we did during the severe weather events along the U.S. Gulf Coast.

With the hard work and dedication of VetNet leadership, coordination with Dow Human Resources and support from Dow corporate leadership, a new HR policy was introduced, allowing Dow Greyshirts (Team Rubicon volunteers) to deploy for up to two weeks under the military leave policy. This simple act ensured that those on Team Rubicon, passionate about disaster response work, would be financially and emotionally supported.



PEOPLE SPOTLIGHT

CHASE ROBERTS

Chase Roberts, EH&S technician, took over as the new Dow Team Rubicon leader in May. *“My first deployment with Team Rubicon was to the Bahamas following Hurricane Dorian, and I was hooked,”* Roberts said. *“I enjoyed it so much that I knew that Team Rubicon was my calling. I needed to raise as much awareness within Dow about Team Rubicon as possible.”*



Women's Inclusion Network (WIN)

The COVID-19 pandemic created new challenges for Dow women and men around the world. Stress rose as the pandemic separated loved ones and magnified caregiving responsibilities. WIN provided support and forums for discussion to address stress and help solve common problems. WIN also continued to champion women's development virtually.

VIRTUAL COFFEE BREAKS DRIVE CONNECTIONS

In 2020 WIN held Coffee Breaks @ Home sessions. These sessions covered a range of topics relevant to life during the pandemic. Equally important, these events kept employees connected. Overall, the 25 events were attended by a total of 2,690 people. The impact of these sessions was reflected in this comment from one participant, *"I appreciate that you all have given me a sense of community and connection over the past year while working from home!"*

POWERFUL DOMESTIC VIOLENCE AWARENESS CAMPAIGN TAKES OFF

Under the umbrella of WIN, Fabiola Sansigolo, Manufacturing and Engineering (M&E) IT Business Process leader, herself a past victim of domestic violence, launched a Domestic Violence Awareness Campaign in Latin America. The concept came from the Business Coalition to End Violence Against Women and Girls, which Dow is a member of, with support from Javier Constante, Dow Latin America president.

The campaign began in Brazil and then spread across Latin America. The WIN team worked with the Avon Institute to benchmark and share best practices for the campaign. More than 550 women and men participated in sessions where employees courageously shared their stories.



PEOPLE SPOTLIGHT

FABIOLA SANSIGOLO, WIN LATIN AMERICA

Fabiola Sansigolo, M&E IT business process leader, said, *"It is my goal to help other women to see if they are in danger. I want to grow this effort to a global scale and help women overseas. I will do what I can, working with women."*

ALL WIN!

2020
PARTICIPATION
↑15%



Dow ACTs to Address Racial Inequality

In the wake of the murder of George Floyd, Dow stepped forward to demonstrate its care for our Black employees and its commitment to take action against racial inequality. On May 31, 2020, Dow CEO Jim Fitterling posted a blog on the company's website called: **You matter. Let's ACT.** It was a call to be allies. It was a call to act. He wrote: "There's a lot of work to do here to overcome hundreds of years of systemic oppression, but I am committed to helping Team Dow find a way."

To discover "that" way, Jim hosted a virtual conversation attended by more than 1,100 colleagues, including Dow's entire executive leadership team. This town hall was sponsored by GAAN, and attended by Black employees and their allies.

The goal was to listen so that leadership could determine actions that would drive real and meaningful change inside and outside of Dow. The result was a holistic plan to address systemic racism and racial inequality, approved by our Board of Directors, called Dow ACTs. ACT is an acronym for three action areas: **A**dvocacy ... **C**ommunity engagement ... and our own **T**alent pipeline.



In total, Dow has committed more than **\$10 million** over the next five years to address systemic racism and racial inequality.

PROGRESS AGAINST DOW ACTS COMMITMENTS



ADVOCACY

- Launched **U.S Social Justice Council**
- New \$1MM partnership with **Congressional Black Caucus Foundation**
- **Paid time-off for voting** for U.S. employees
- Joined the **Board Diversity Action Alliance** and the **Civic Alliance**
- Dow Chief Human Resources and Inclusion Officer Karen S. Carter appointed to **Michigan Governor's Black Leadership Advisory Council**



COMMUNITY

- Pledged \$600,000 to the **Dow Promise** program
- Established **Martin Luther King Jr. Day** as a **U.S. paid holiday** and an opportunity for a day of service
- Partnered with the **U.S. Chamber's Coalition to Back Black Businesses**



TALENT

- Committed \$5MM to **Historically Black Colleges and Universities (HBCUs)** through 2024
- Completed first cohort of Dow's **Advocacy-in-Action Sponsorship Program** to develop and advance Black talent
- Hosted **Diamond** and **BEST** early career symposia
- Developed and launched new **Inclusive Leadership Training**
- Expanded new **Student Mentor Academies** for Black youth in Michigan and U.S Gulf Coast

We took a visible stance, making clear our position on racial injustice and our intention to act.

Billboard located near Louisiana Operations, U.S.





Attracting a Diverse Talent Pipeline

In order to make sustainable progress, we must develop tomorrow’s talented workforce today. A focus on our 2025 Inclusion, Diversity and Equity Strategy is improving the representation of underrepresented populations, including women globally and ethnic minorities in the U.S. at Dow.

Global Inclusive Hiring Standards

In 2020, we implemented a new Inclusive Hiring Standard globally that sets requirements for posting jobs, diverse candidate slates and diverse interview teams. External data tells us – as does our intuition – that equity in our recruiting process and diversity in our interview process enables more diverse outcomes. We also introduced a structured interview process to ensure a consistent candidate experience and to remove bias.

Digital Hiring Practices

We have expanded our sourcing strategy through digitalization and new talent marketing approaches. For example, we introduced Handshake technology to broaden sourcing of diverse talent beyond our traditional strategic universities.

HBCU Partnerships

Building upon our existing partnerships with Historically Black Colleges and Universities (HBCUs), in 2020 we made an additional \$5 million investment to support and enhance the Black STEM pipeline.



NORTH AMERICA – DOW LEADERSHIP ACADEMY

When Dow’s Louisiana Operations apprenticeship applicant statistics showed consistent diversity gaps within the applicant pool, the team created a collaborative program to address the situation. Dow, in partnership with Terry Simmons and Company, developed the Dow Leadership Academy. This program mentors U.S. ethnic minority high school students, provides training in communication, social skills, leadership and financial literacy, and offers STEM career exploration and experiences.

The first pilot cohort was in the fall of 2017. It was made up of 15 10th grade students enrolled in the Iberville School District. Over the course of three years, these students engaged in two sessions per month until graduation. Each student in the program was assigned a Dow mentor for accountability, tutoring and family support. The mentorship component increased student engagement academically and showed mentees what is possible in their lives, through example.

In 2020, 100% of Dow Leadership Academy participants graduated high school and enrolled in a college program. Due to the success of the program, Dow plans to expand the program in 2021. [Learn more](#).

GLOBAL INCLUSIVE HIRING STANDARDS TO DELIVER DIVERSE OUTCOMES

Equitable Practices

- ✓ Post open roles
- ✓ Implement a diverse candidate slate for open roles
- ✓ Ensure a diverse interview panel for hiring





Attracting a Diverse Talent Pipeline

EARLY CAREER RECRUITING GOES VIRTUAL

To reflect our continued commitment and maintain momentum, Team Dow successfully transitioned two signature recruiting events and internships to virtual platforms.

Diamond Symposium is intended for top, U.S. ethnic minority undergraduate students from universities across the United States. The team hosted 46 students virtually and extended 24 internship and full-time offers with an 85% offer acceptance rate.

BEST Symposium is primarily intended to introduce Black, Hispanic and Native American U.S. doctoral and postdoctoral scientists to the wide range of rewarding careers in industrial research and the many opportunities at Dow. Twenty-eight candidates attended the 2020 BEST Symposium virtually, and Dow extended 10 full-time offers with a 90% offer acceptance rate.

Virtual Internships

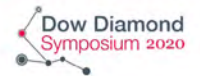
Dow converted more than 200 internships to a virtual experience, with a focus on connecting and engaging students in creative ways. 100% of the 2020 students said they would recommend Dow for an internship or co-op experience.

POTÊNCIAS NEGRAS IN LATIN AMERICA

Dow Brazil launched Potências Negras, the “Black Powers” program. This trainee program focused exclusively on attracting talent from underrepresented groups. More than 6,000 applicants who self-identified as Black or Brown applied, and out of 45 finalists nine were hired. Participants attend a wide range of courses as part of the training – from business and financial acumen, to digital and interview skills.



Diamond Symposium



BEST Symposium





Developing a Diverse Leadership Pipeline

Attracting, developing and retaining a diverse workforce is imperative to delivering the best results at Dow. And it starts with leadership. That is why one of our top priorities is diversifying our leadership ranks and equipping all leaders to be effective in how they motivate and inspire everyone on their teams. To do so, we employ a range of leadership development approaches, including on-the-job learning, classroom training, on-line learning, development through ERG participation, and formal mentorship and sponsorship programs. We know that investing in leadership will make a difference for our people and for our business.



ADVANCING BLACK EMPLOYEES AND DEVELOPING THEIR ADVOCATES THROUGH ADVOCACY-IN-ACTION (AiA) SPONSORSHIP PROGRAM

In 2020, Dow completed the first cohort of the AiA Sponsorship Program. AiA is a 15-month program that strategically pairs mid-level Black leaders (protégés) with senior leaders (advocates) to enable effective sponsorship of this talent pool by providing exposure to career opportunities and improved visibility. The program brings together sponsorship pairs to share real-world experiences and speak openly and constructively about common barriers to progression. It aims to develop and empower our Black talent, with the goal of advancing them to the next level in their career. Dow is launching a second cohort of AiA in 2021.

ADVANCEMENT

- 4** new People Leaders
- 100%** AiA prepared me to lead
- 14** promotions, job changes

RETENTION

- >90%** still with Dow
- 60%** AiA pivotal in decision to stay

INCLUSION

- 100%** AiA demonstrated Dow's commitment to inclusion

ENGAGEMENT

- 100%** increased personal/professional satisfaction and engagement



PEOPLE SPOTLIGHT

TERRELL GOUDY

Terrell Goudy, Senior Operations leader, a protégé in Advocacy in Action's first cohort, found the experience transformative. *"AiA provided a safe space to have candid conversations with Dow leadership about the realities, concerns and issues that a lot of African American employees face day-to-day. After going through the program, I am more confident in myself and my abilities, and I bring more of my authentic self to work. These changes allow me to be more effective in leading my teams, mentoring and being a voice for others."*



Developing a Diverse Leadership Pipeline

ADVANCING WOMEN THROUGH EMEAI FEMALE SPONSORSHIP PROGRAM (FSP)

The second cohort of FSP launched in December 2020 and will run until 2022 in the EMEAI region – Europe, the Middle East, Africa and India. The program aims to increase advancement and retention of women in order to reduce the gap between middle and senior levels in the EMEAI region. This initiative doubled its initial goal and paired approximately 70 women with senior Dow leaders. The FSP will have a ripple effect by impacting approximately 200 female colleagues who are part of a managed learning community in the region. Additionally, the selected sponsees gain access to sessions at a leading European Business School (INSEAD), and to learning and networking opportunities through the Society of Women Engineers.

EMPOWERING WOMEN AND MEN THROUGH POWER UP

Dow continues to provide focused development opportunities through EY's POWER Up program. POWER Up is a strategic and integral part of our development offerings and helps women and men showcase their talent and skills in new ways. Since its inception in 2016, over 1,300 women and almost 400 male allies have participated in POWER Up at Dow.

PEOPLE SPOTLIGHT

OLGA TODOROVA

Olga Todorova, senior commercial excellence manager, has been working with a senior leader as part of our Female Sponsorship Program. Together, they revisited her employee development plan – prompting Olga to make a job move that led to her leading people for the first time.

"My first months in FSP have been intense. I have done a lot of self-reflection on my career drivers, revisited my employee development plan and leveraged the tools provided by the program. I have established a strong working relationship with my sponsor. I have already made a parallel move from Dow Industrial Solutions to the Polyurethanes business, taking on people leadership responsibility for the first time. I look forward to further insights and learnings at upcoming INSEAD sessions! I could not be more grateful to Dow for this wonderful opportunity."



Developing a Diverse Leadership Pipeline

ADVANCING TALENT THROUGH SPONSOR-TO-SUCCESS

Sponsor-to-Success is a sponsorship program that aims to foster the advancement of talent at Dow in Operations, Finance, HR, R&D and Supply Chain. The program pairs high-performing sponsees with a sponsor to identify development opportunities, connect them with influential leaders and discuss topics important to growth. The program includes sessions on personal branding, communicating with impact and professional advancement. Approximately 150 participants are currently in a Sponsor-to-Success cohort, which began in January 2020 and will end in August 2021.

92% of participants said their sponsor has provided valuable coaching, advocacy and networking possibilities to positively impact their career progression and development.

WIN+5 NETWORKING FOR WOMEN

The WIN+5 networking program seeks to increase interaction between female talent and leadership and create a safe environment for participants to develop their skills and practice networking methods. In 2020, we conducted two rounds of WIN+5 for a total of almost 250 participants. Since the inception of the program, 1,100 women have participated in WIN+5 and more than 5,000 connections have been made.

MAKING OUR MARC

We have invested in engaging male allies through Catalyst's Men Advocating Real Change (MARC) program, MARC dialogue sessions and the inaugural MARC summit in December 2020. MARC is designed to inspire men to leverage their unique opportunity and responsibility to be advocates for equity. Approximately 180 Dow employees from across the globe participated in this two-day event.

LEVERAGING THE BEST IN OUR VETS

Launched in 2020, the Military Degree Equivalency (MDE) Program helps level the playing field for veterans seeking careers with the company. Veterans with relevant military experience of E6 ranking or greater (OR6 for Canada) will be considered as equivalent to candidates with bachelor's degrees for U.S. and Canada job postings. The E6 ranking translates to 8-12 years of experience and has generally equivalent responsibilities across all branches of the military.

The MDE program affords individuals with extensive military background the opportunity to bring their broad scope of training and education, experience in leadership and understanding of performing in high-pressure situations into a successful career at Dow.





Supplier Diversity Evolves and Grows Despite Global Pandemic Challenges

SUPPLIER DIVERSITY EVOLVES AND GROWS DESPITE PANDEMIC CHALLENGES

Although 2020 was an especially challenging year, Dow grew our Supplier Diversity program. We incorporated industry best practices, involved more individuals inside the company and reached out to peer companies to provide mentoring relationships. We conducted interviews with diverse suppliers to gain their perspective of the pandemic and its effect on their business, their experiences with Dow and their overall experiences as a diverse supplier.

In 2020, there was a strong focus on expanding the reach of our Supplier Diversity program and increasing our visibility and participation within the communities where we operate. The pandemic changed the way vendors and companies communicated and connected, with several activities shifting to virtual environments. As a result, Dow held Supplier Days@Dow around the world to discuss how to do business with Dow, match our needs with available supplier capabilities and maintain momentum. We also sponsored a pitch contest and joined local chambers of commerce groups to identify and establish relationships with diverse suppliers.

Key initiatives included:

- Published a Supplier Diversity Playbook, a how-to guide about the program to enhance and increase Dow's engagement with diverse suppliers.
- Partnered with Certify My Company to offer consultation services and expand the number of certified diverse suppliers.
- Continued to expand the program outside of the U.S., and hosted sessions in Latin America and Europe to foster supplier diversity relationships.



ROMPIENDO BARRERAS (BREAKING BARRIERS) IN LATIN AMERICA

With the success of the “Ilimitadores Program” launched in Brazil in 2019, Dow teams in Colombia and Mexico introduced Rompiendo Barreras (Breaking Barriers) in 2020. Focused on inclusion, diversity and equity in the value chain, virtual sessions opened the opportunity to bring customers, suppliers and other external partners into the discussion. The team hosted four sessions in partnership with IBM and Accenture, reaching more than 1200 participants overall.



Supplier Diversity Evolves and Grows Despite Global Pandemic Challenges



SINCE PROGRAM INCEPTION IN 2018

>\$1B
in spend with small or diverse suppliers

Increased Certified Spend >50%

Tier II Spend (driving diversity through the value chain)
>\$173MM

Supplier Diversity delivered
\$7MM
in EBIT

Latin America
212 suppliers attended Supplier Day

Asia Pacific
Runner-Up for the China Women's Empowerment Principles Award sponsored by UN Women

Europe, Middle East, Africa, India
Named a "Cascading Customer" with L'Oréal in Supplier Diversity

North America
Sponsored and hosted Great Lakes Women's Business Council 2020 Pitch Contest

Dow Supplier Diversity Presence 10 countries



DiversityInc
2020 TOP COMPANIES FOR SUPPLIER DIVERSITY
Ranked **#3**

2,100+
small and diverse suppliers
107 New Vendors



Investing in Our Workforce

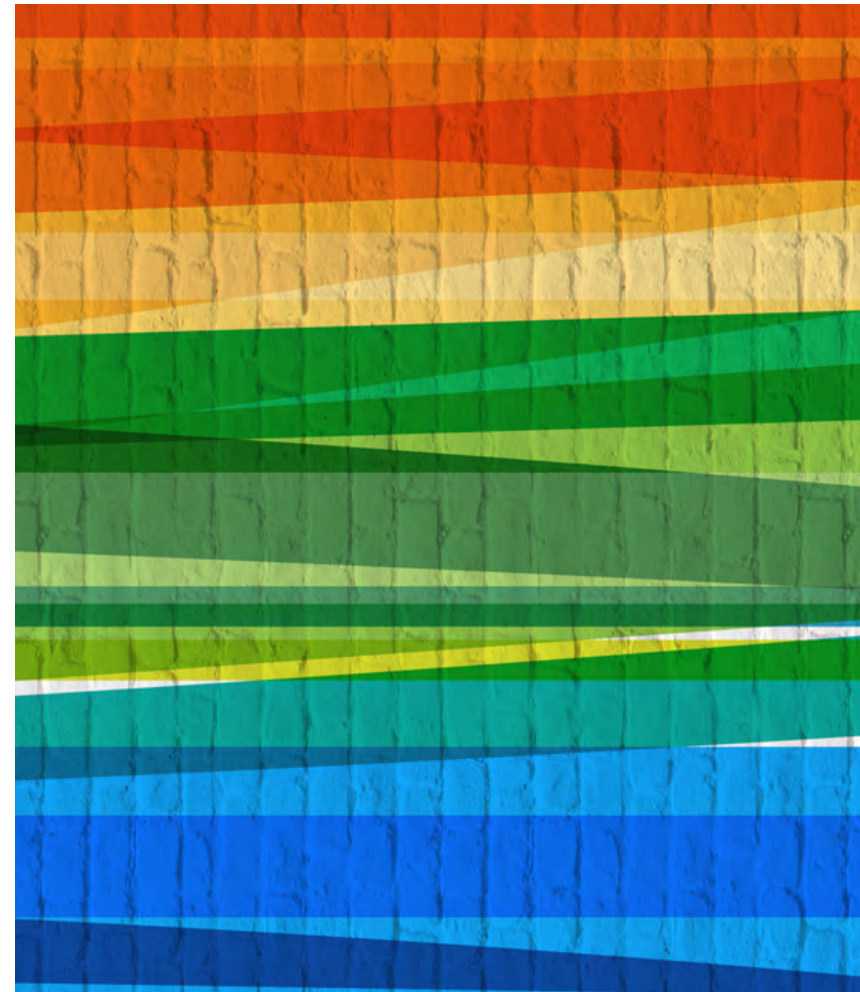
Every Dow story starts with our people. Together, our 35,700 employees form an inclusive community of problem-solvers who help us deliver innovative solutions and a positive customer experience, while transforming industries and shaping a sustainable future. We're invested in fostering a culture of inclusion and continuous learning to ensure every Dow employee is respected, valued and encouraged to make their fullest contribution. A commitment to safety, employee health and world-leading environmental performance is engrained in our culture and central to how we work. Attracting and retaining world-class talent is the key to maintaining Dow's competitive advantage.

OUR APPROACH TO EMPOWERING OUR PEOPLE GRI 405-103

We believe it is critical to build a culture that celebrates and leverages the diversity of our people, encourages and enables them to make their fullest contribution, and to be their authentic selves. Our goal is to build a culture where everyone is respected, valued, feels that they belong and has an equal opportunity to develop, advance and be heard.

Throughout this report, charts exclude employees whose gender or race is unknown or undeclared, and percentages may not always add up to 100% due to rounding.

The workforce data is gathered through a centralized database containing all employee information. The employee data is updated by employees, Human Resources and managers when employee information changes occur. The data represents the global employee population as of December 31, 2020, and includes all permanent, full-time and part-time employees. Temporary employees, contractors and manual additions are excluded unless otherwise stated. GRI 102-8





Global Workforce Demographics GRI 405-1

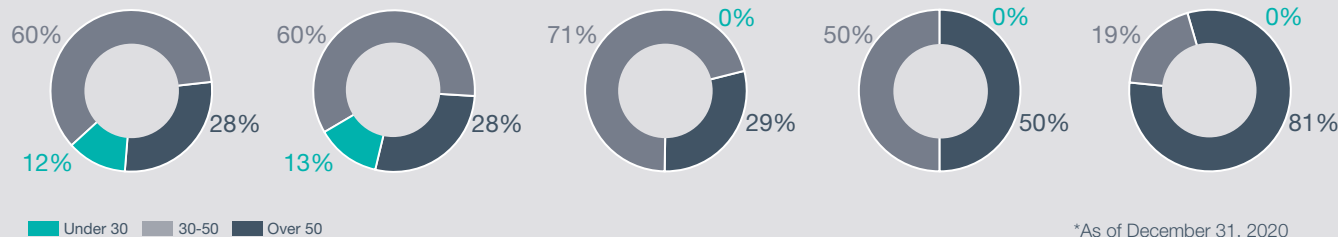
At Dow, we believe a diverse, experienced, independent and active Board leads to improved decision-making, financial performance and shareholder value. As of June 1, 2021, the Dow Board was composed of Chairman and Chief Executive Officer Jim Fitterling and 10 independent directors who represent different professions and industries, and a diversity of ethnicity, gender and global experience. We also believe in a diverse and talented employee population to innovate the best solutions that meet the needs of our customers and ultimately drive business success.

Employee Diversity*

	TOTAL		NON-MANAGEMENT		MANAGERS		LEADERSHIP	
						DIRECTORS		EXECUTIVES
BY GENDER	28.1%		27.7%		33.2%		32.9%	25.9%
EMEAI	72.9% 27.1%		73.0% 27.0%		71.0% 29.0%		78.9% 21.1%	100%
LATIN AMERICA	72.2% 27.8%		72.9% 27.1%		64.0% 36.0%		37.5% 62.5%	100%
U.S. & CANADA	73.0% 27.0%		73.5% 26.4%		66.0% 34.0%		67.1% 32.9%	70.8% 29.2%
ASIA PACIFIC	65.6% 34.4%		65.8% 34.2%		63.7% 36.3%		57.1% 42.9%	100%

Men Women

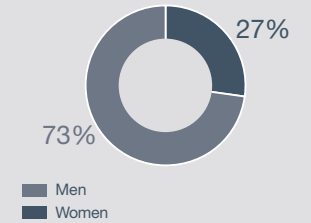
BY AGE GROUP:



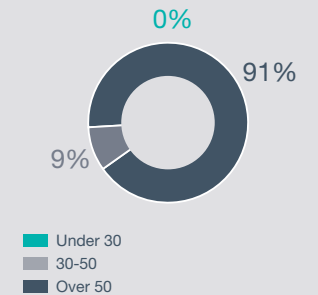
*As of December 31, 2020

Board Diversity*

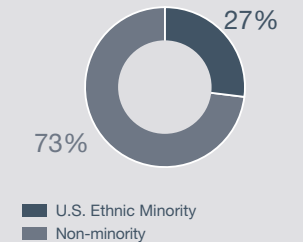
BY GENDER:



BY AGE GROUP:



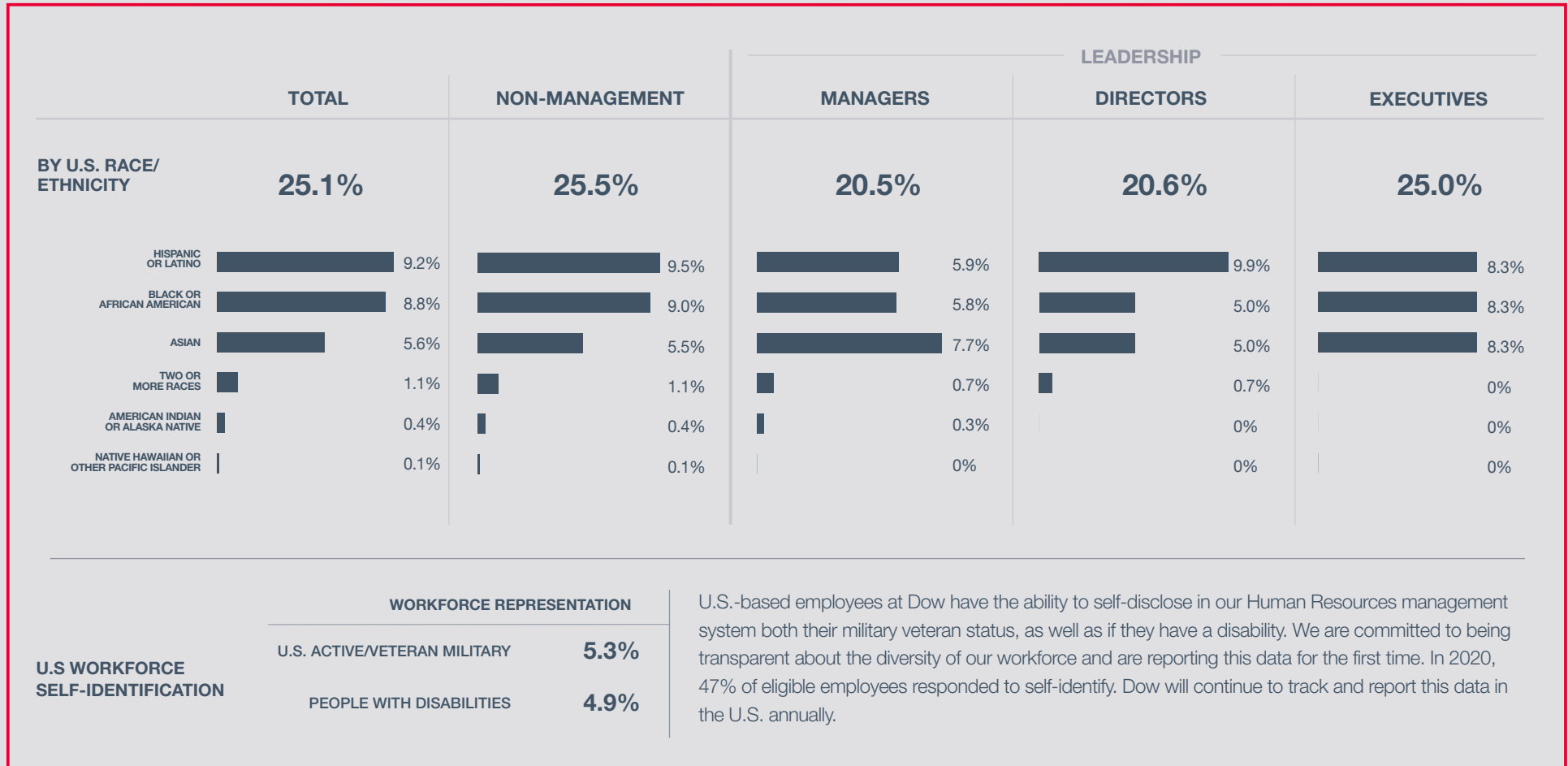
BY U.S. ETHNIC MINORITY:



*As of June 1, 2021



U.S. Workforce Demographics GRI 405-1

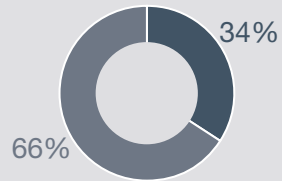




New Employee Hires and Employee Turnover GRI 401-1

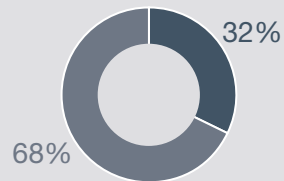
By Gender

HIRE RATE:

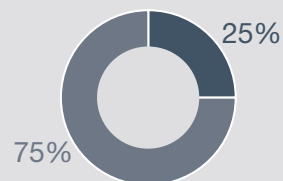


Men
Women

VOLUNTARY ATTRITION:

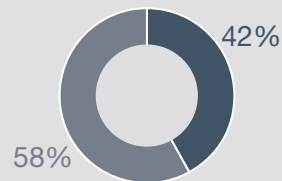


INVOLUNTARY ATTRITION:



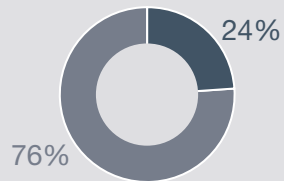
By U.S. Ethnic Minority

HIRE RATE:

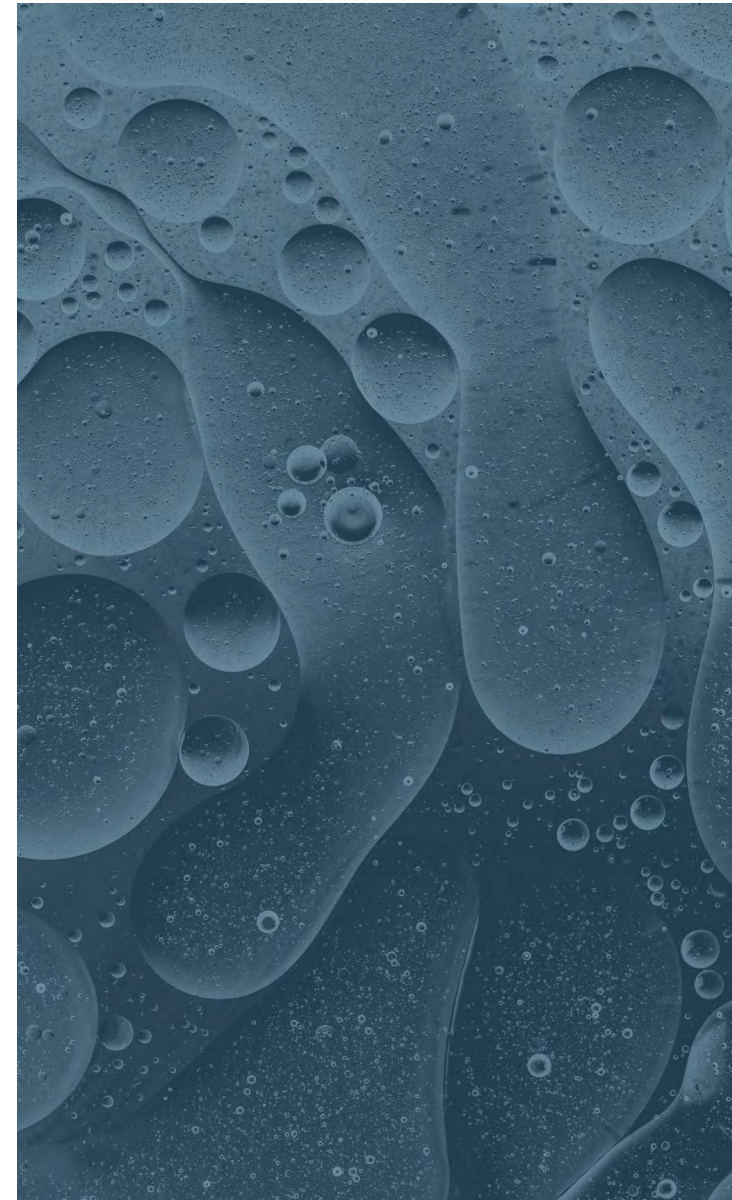
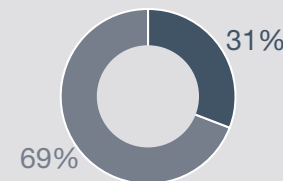


U.S. Ethnic Minority
U.S. Non-Minority

VOLUNTARY ATTRITION:



INVOLUNTARY ATTRITION:

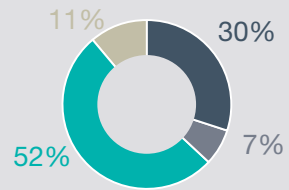




New Employee Hires and Employee Turnover GRI 401-1

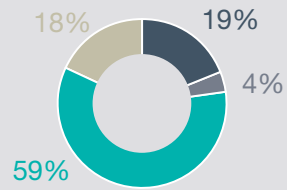
By Region

HIRE RATE:

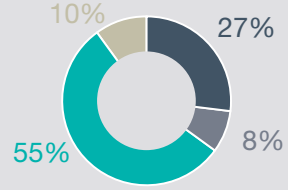


■ EMEA
■ U.S. & Canada
■ Latin America
■ Asia Pacific

VOLUNTARY ATTRITION:

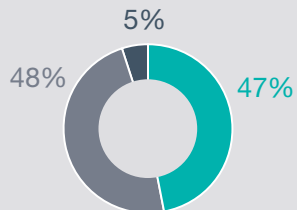


INVOLUNTARY ATTRITION:



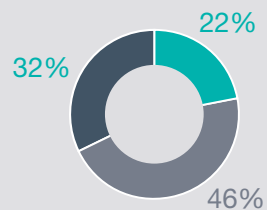
By Age Group

HIRE RATE:

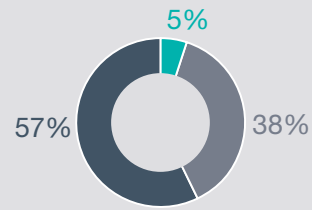


■ Under 30
■ 30-50
■ Over 50

VOLUNTARY ATTRITION:



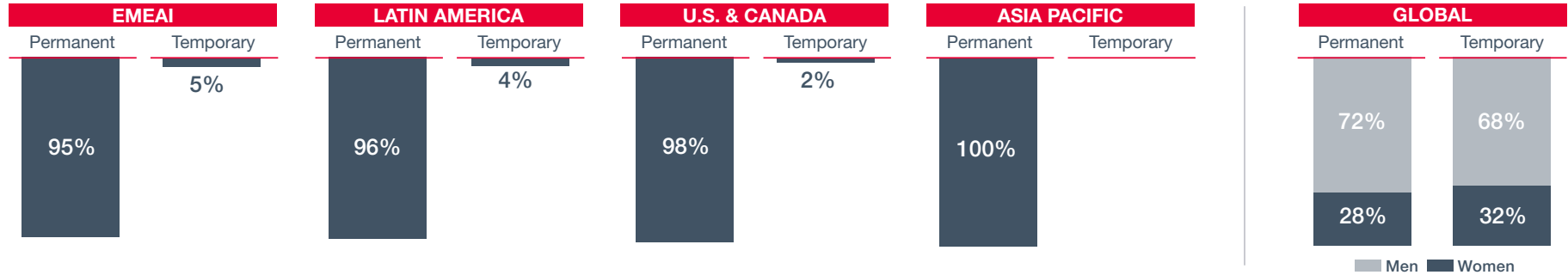
INVOLUNTARY ATTRITION:



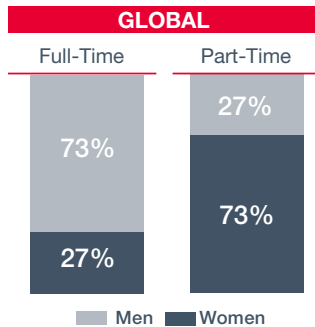


Information on Employees and Other Workers GRI 102-8

Temporary and Permanent Workforce by Geography



Full- and Part-Time



Dow utilizes non-employee contractors in select roles to (1) enable flexibility with scaling resources to meet short term project staffing needs, (2) meet resource demands where fluctuations may occur more frequently, and/or (3) for work that is not core to Dow's areas of expertise. There are no significant variations in employment due to tourism or agricultural industries; however, based on economic fluctuations, employment may decline or increase.

Permanent employee: A permanent employment contract is a contract with an employee, for full-time or part-time work, for an indeterminate period.

Temporary employee: A temporary employee has an employment contract (can be written, verbal or implicit) that ends when a specific time period expires, or when a specific task that has a time estimate attached is completed. A temporary employment contract is of limited duration, and is terminated by a specific event, including the end of a project or work phase or return of replaced employees.



Learning and Development GRI 404-1, 404-103

Our world is changing at a pace never seen before. To continue to compete and lead, we need to think and act in new ways. A successful future for Dow and our employees will be built on a continuous learning environment. Throughout an employee's career, the company supports people in their personal development through a mix of online and digital learning platforms, on-the-job training and a series of leadership development opportunities. Employees are encouraged to invest in themselves, and the technologies we deliver enable access to resources in real time through mobile applications.



Dow issues training by role and not by gender. Gender statistics for learning are not within our learning system; however, as part of our process to close any diversity gaps for employee and leadership readiness, underrepresented individuals may be invited to specific trainings to increase the diversity pool.

According to our 2020

Voice

Annual Survey,

77%

of Dow employees felt encouraged to continuously learn and develop in their role.

On average, there were

62 hours

of training logged per employee in 2020.



Programs for Upgrading Employee Skills GRI 404-2

Dow supports employee engagement through My HR Portal, an online people resource launched in 2019. My HR Portal allows all employees to access development resources, online internal job postings, compensation and benefit information, and health and wellness programs. Employees take advantage of these offerings to develop their careers, enhance their employee experience and plan for career changes. In addition, Dow supports lifelong learning through specific skill building efforts, externally licensed development tools and an internal talent review process focused on differentiated development.



Examples of development resources include:

- Diamond Learning, a learning management system for tailored learning curricula aligned to role responsibilities and personal development
- Total health, nutrition and wellness centers, and associated programs and counseling
- Employee Resource Groups that support a variety of development opportunities
- Employee toolkits exploring personal and career values, preferences and orientations
- Toolkits to prepare for employee career development discussions
- Global Educational Assistance that supports employees in pursuing external training/educational opportunities for career development
- Access to Human Resource (HR) call centers for personalized answers to HR questions
- Benefits counseling for employee retirement planning purposes
- Financial planning seminars for all employees
- Career transition assistance benefits, including outplacement counseling services

Programs for Transition Assistance GRI 404-2

In 2020, employees separated from Dow were offered support services including career coaching, resume optimization, networking and interview preparation at no cost.





Performance Culture GRI 404-3

Both leaders and employees play a key role in ensuring the effectiveness of our performance culture by establishing SIMple (specific, important, measurable) goals, encouraging continuous development feedback and dialogue, and reviewing progress on an ongoing basis throughout the year. Our leaders are encouraged to partner with their employees to identify their strengths, as well as opportunities for development. The performance culture cycle concludes with an annual review. In preparation, leaders gather multi-rater feedback throughout the year to enhance the quality of the discussion and ensure multiple inputs before making compensation decisions.

For the 2020 performance cycle, 95.3% of active employees were eligible to receive an Annual Performance Review. The remaining 4.7% were ineligible due to employment status including students, interns, co-ops, part of divestitures or specific joint ventures, and other Dow employees based on local contractual agreements. Of the eligible employees employed at the end of the performance cycle, 94.5% received a documented 2020 performance summary in MyHRportal.



Pay Equity GRI 405-2

Global pay disparity studies have been conducted at Dow for over 20 years to assess fair treatment and ensure our pay practices are being implemented as intended. The historical pay equity studies compared like for like jobs (equal pay for equal work) for base pay, short-term incentives (STI), and long-term incentives (LTI) between genders and between U.S. ethnic minorities and non-minorities.

In alignment with our ambition to become the most innovative, customer-centric, inclusive and sustainable materials science company in the world, we transitioned to assessing the pay gap in 2020, comparing pay regardless of the work performed. We believe this to be a more holistic view for assessing potential pay disparity as the pay gap additionally takes into consideration the distribution of employees across all jobs. Gender is evaluated globally and showed that women are paid 98% of what men are paid (includes base pay, STI and LTI). Ethnicity is evaluated in the United States and showed that U.S. ethnic minorities are paid 97% of what non-minorities are paid (includes base pay, STI and LTI).

Global Female Pay to Male Pay Ratio		U.S. Ethnic Minority Pay to Non-Minority Pay Ratio	
Base Pay Only	0.98:1.00	Base Pay Only	0.98:1.00
Base Pay and STI	0.98:1.00	Base Pay and STI	0.98:1.00
Base Pay, STI and LTI	0.98:1.00	Base Pay, STI and LTI	0.97:1.00

1 Base pay is calculated as the average base pay salary.

2 Short-term Incentive award is calculated based on the actual value granted.

3 Long-term Incentive (LTI) analysis includes those eligible and excludes other roles. LTI is calculated based on the actual value granted.

Closing the gender pay gap is a part of our commitment to inclusion, diversity and equity. As such, we will continue to conduct annual pay gap studies and actively engage with an external partner to develop and apply best practices including further executing pay disparity closure actions.



Pay Equity

GRI 102-38, 102-39

ANNUAL TOTAL COMPENSATION RATIO

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, Dow is providing the following information.

For 2020:

- The annual total compensation for the median employee was \$157,943.
- The annual total compensation of Chairman and CEO Jim Fitterling was \$22,211,255, as reported in the Summary Compensation Table of the [2021 Proxy Statement](#)⁷ filed with the SEC on March 5, 2021.

Based upon the calculation for both the CEO and median employee, the ratio of the CEO pay to median employee pay for 2020 was approximately 141:1.

PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION RATIO

For 2020:

- Base salary adjustments of 3% were provided to Dow's salaried employee population in 2020, including Chairman and CEO Mr. Fitterling and the median employee reported in Disclosure 102-38.
- The target total direct compensation of Mr. Fitterling, as reported in the Targeted Total Direct Compensation Summary Table in Dow's 2020 and 2021 Proxy Statements, increased 13.6% year-over-year.
- As detailed in the 2021 Proxy Statement, Mr. Fitterling received a 13.3% increase to his target short-term incentive percent and an increase of 14.3% to his long-term incentive target, based upon the Compensation and Leadership Development Committee's review of comparable positions within the compensation peer group.

The pay ratio presented above is a reasonable estimate. To determine the median annual total compensation for all employees other than the CEO, a median employee was identified from the population of all employees worldwide as of November 30, 2020, using base pay and annual incentive at target as the consistently applied compensation measure. The company calculated annual base pay based on a reasonable estimate of hours worked during 2020 for hourly workers, and upon salary levels for the remaining employees. The company used a statistical sampling methodology to identify all employees whom the company expected to be paid within a 0.1% range of the median. The company selected the representative employee from that group for purposes of calculating the ratio of CEO pay to median employee pay. Because SEC rules for identifying the median employee and calculating the pay ratio allow companies to use different methodologies, exemptions, estimates and assumptions, the pay ratio may not be comparable to the pay ratio reported by other companies.



Benefits

GRI 401-2

Regular full-time and less-than-full-time employees are provided a wide variety of benefits. Dow's benefit plans are designed to meet the needs of our employees, while remaining competitive with the market and aligned with our company strategy. They are also designed to build on the social security benefits provided in each country, and as a result, vary by country. In all primary Dow locations, we offer the following benefits to regular employees:

- Pension plans – either defined benefit or defined contribution plans
- Medical plans – often including prescription drug coverage and dental
- Life insurance
- Disability protection
- Accident insurance
- Paid vacation, holiday and leave programs
- Business travel accident insurance

*Note that in all Latin American countries, there is no difference in benefits packages offered to regular and temporary employees. Colombia only offers a savings plan (no pension), and Costa Rica, Peru and Chile do not have pension or savings plans.

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS

GRI 201-3

The company has both funded and unfunded defined benefit pension plans that cover employees in the United States and a number of other countries. As a result of the company's separation from DowDuPont, the number of significant defined benefit pension plans administered by the company decreased from 45 plans to 35 plans, with approximately \$270 million of net unfunded pension liabilities transferred to DowDuPont. Plans administered by other subsidiaries of DowDuPont that were transferred to the company were not significant. There were no changes in the number of significant other

post-retirement benefit plans administered by the company as a result of the separation. Existing company plans that were significantly impacted by the transfer of active plan participants to DowDuPont were remeasured, resulting in curtailment gains and losses and recognition of special termination benefits.

In 2020, 2019 and 2018, the company contributed \$299 million, \$261 million and \$1,651 million to its continuing operations pension plans respectively, including contributions to fund benefit payments for its non-qualified pension plans (\$299 million, \$266 million and \$1,656 million, including contributions to plans of discontinued operations). In the third quarter of 2018, the company made a \$1,100 million discretionary contribution to its principal U.S. pension plan, which is included in the 2018 contribution amount above. The discretionary contribution was primarily based on the company's funding policy, which permits contributions to defined benefit pension plans when economics encourage funding, and reflected considerations relating to tax deductibility and capital structure.

PARENTAL LEAVE

GRI 401-3

Dow's Global Parental Leave Policy is intended to provide greater flexibility and work-life balance for mothers and fathers. Birthing parents have a minimum 12 weeks of paid leave, and the non-birthing parent has two weeks of paid leave, which can be taken during the 12 months following the birth of a child.



COMMUNITY:
INVESTING IN OUR PEOPLE
AND PLACES WHERE WE
LIVE AND WORK



Our Approach GRI 413-103

We are committed to playing an active role in helping shape the communities where we live and work. Through charitable investments, employee volunteerism, and global and local partnerships, we seek to create meaningful impact in areas that connect science, people and community. Our actions are aimed at strengthening Dow communities, where all people have the ability to thrive and be their best. We know this is good for business and society.

Our Global Citizenship strategy is guided by our five priority areas for impacting communities:

-  **Advancing SUSTAINABLE Solutions**

-  **Building INCLUSIVE Communities**

-  **Developing Tomorrow's INNOVATORS**

-  **ENGAGING EMPLOYEES FOR IMPACT**

-  **Collaborating with COMMUNITIES**

These priority areas help guide our efforts to build community-driven solutions that spark positive change for the people we serve, the communities where we live and work, and the broader world that surrounds us.

DOW SUPPORTED ITS COMMUNITIES ACROSS THE WORLD IN 2020

\$33.6MM in total contributions including:

-  **\$1MM** to the Congressional Black Caucus Foundation's National Racial Equity Initiative

-  **\$250K** in ALL /IN ERG Fund competitive grants

-  **\$10.9MM** donated for STEM programming and partnerships globally

-  **\$1.7MM** committed to support international disaster relief

-  **\$4MM+** to aid COVID-19 relief efforts worldwide

-  **\$1.6MM** in product donations to provide PPE, sanitizer, and safety and education support

OUR 2020 REACH

-  **851** grants delivered worldwide

-  **623** partner organizations

-  **13,801** Dow employees volunteered

-  **>513,000** people reached through our STEM investments and grants

-  **>128,000** people reached through our circular economy and Business Impact Fund activities



Aligned to our "Engaging for Impact" 2025 Sustainability Goal
[See metrics](#)



Advancing Sustainable Solutions

At Dow, we see the role of business as a catalyst for change – as a driver of innovation that protects life and the environment while helping create business growth for our company. Our Advancing Sustainable Solutions investments aim to prevent plastic waste leakage, accelerate recycling and advance a circular economy. We do this by supporting efforts to increase waste collection, establish circular economy entrepreneurs, use research to drive evidence-based action, promote climate resilience, and discover new ways to use Dow products for social good.

DOW BUSINESS IMPACT FUND

Our Business Impact Fund is designed to unlock both social value and opportunity for Dow businesses. By understanding how solving a social problem can drive business results, companies have clear incentives to invest resources to innovate more deeply and scale socially oriented business opportunities and markets.

The Business Impact Fund, launched in 2016, has supported **35 projects** to date, totaling more than **\$5.7 million** in investments. These highly visible projects are opportunities for Dow to explore new, innovative ways to expand our markets and address important social problems. Projects also provide valuable leadership opportunities for Dow employees.



Fábio Mendes with partners from Boomera, Avina and the president of Jacareí Recicla, one of the five waste collector cooperatives in São Paulo, Brazil, that benefited from Recycling for a Change.



PEOPLE SPOTLIGHT

FÁBIO MENDES

Fábio Mendes served as a Dow project leader for Recycling for a Change. For Fábio, the project has been a journey of learning and personal development. *“By seeing firsthand the different perspectives that drive a circular economy – not only at Dow, but across the value chain – I better understood how a circular economy can positively impact not just the environment but people, too.”*



Advancing Sustainable Solutions

TRANSFORMING WASTE MANAGEMENT AND LIVES

According to [The World Bank](#)⁷, 231 million tons of waste are generated in the Latin American region every year. That adds up to approximately 541,000 tons of waste each day. Out of that total, less than 5% of waste is recycled – far below the global average of 19%. In Brazil, waste collector cooperatives are an important part of the recycling value chain, as they sort trash and sell it to recycling companies for income.

In 2019, Dow's Business Impact Fund supported Recycling for a Change, a project with Boomera and the NGO Fundación Avina, to improve the training, equipment and administration of **five waste collector cooperatives** in the State of São Paulo, impacting **200 workers**. As productivity and sales improved, so did the income of the workers. Cooperatives experienced a 37% improvement in sales volume and 35% increase in revenue when compared to the same period during the prior year. The initiative also helped create a better-quality supply for production of post-consumer recycled (PCR) resin. Connected to the Packaging & Specialty Plastics strategy and Dow's recently launched first PCR resin in Latin America, Recycling for a Change aims to strengthen the waste management value chain in the region by impacting its most important link: its people.

CREATING SUSTAINABLE HOUSING IN LATIN AMERICA

In Latin America, we are working with Habitat for Humanity and the Terwilliger Center for Innovation in Shelter to develop sustainable housing. The program showcases diverse technologies that can improve energy efficiency, carbon mitigation, water use and sanitary services, while also addressing the region's housing deficit.

- In 2020, Team Dow in Argentina helped 50 families repair their bathrooms and provide access to sanitary services.
- In Costa Rica, we worked with Habitat for Humanity, the Terwilliger Center, the construction company Pedregal and the Housing Promotion Foundation (FUPROVI) to develop a prototype of a duplex house made with Ecoblocks. These construction bricks contain 11% post-consumer recycled plastic content. The house was certified for Excellence in Design for Greater Efficiencies (EDGE) by the International Finance Corporation. As of May 2021, **51 duplexes** will provide permanent housing to **102 families**.





Building Inclusive Communities

We are committed to building inclusive communities where everyone is treated with fairness and respect. We help communities thrive by partnering with local organizations to create more inclusive places to live and work, and we inspire and empower educators and students to create more inclusive environments in schools.

DOW INCLUSION PROGRAMS

Our signature ALL /N ERG Fund competitive grant program engages Dow's Employee Resource Groups (ERGs) to champion projects in Dow communities. In 2020, \$250,000 in seed funding was granted for community projects.

Examples of projects funded through the ALL /N ERG Fund in 2020 include:

- Building Resilience and Understanding in Singapore:** Dow partnered with nonprofit organizations in Singapore to achieve two primary objectives: to extend a circle of help to underprivileged women, and to increase understanding and engagement within the LGBTQ+ community. Dow funding and employee engagement supported:
 - Twenty underprivileged women, through access to the Daughters of Tomorrow Confidence Curriculum, to build resilience, and provide practical support towards gainful employment.
 - Access to services such as counseling and career talks for 88 individuals at a reduced fee or free of charge, to strengthen feelings of inclusion, acceptance and unity.
- Entrepreneurship support for immigrants:** In Europe, multiple Dow ERGs supported refugee and migrant entrepreneurs in realizing their dreams of owning their own business. In 2020, a total of **six new businesses/nonprofit organizations were founded** during the course of the program.

In addition to the ALL /N ERG Fund, in 2020, Dow gave a total of **\$3.8 million** in grants to support multiple and diverse nonprofit organizations focused on inclusion, diversity and

equity. For example, the Dow Promise grant program was strengthened financially to increase donations to projects that will positively impact Black communities near Dow locations that are facing educational and economic challenges.

DOW ACTS

In 2020, Dow committed more than **\$10 million in support** over the next five years to address systemic racism and racial inequality through a holistic plan, Dow ACTs. Through this strategic plan, we partnered with the U.S. Chamber Coalition to Back Black Businesses to award **\$5,000 grants** to 25 Black-owned small businesses in Dow communities. We pledged **more than \$5 million** to support Historically Black Colleges and Universities (HBCUs) for programming, partnership and support to enhance the Black STEM talent pipeline. We also pledged \$1 million to the Congressional Black Caucus Foundation's National Racial Equity Initiative for Social Justice. Learn more about our actions through Dow ACTs [here](#).





Building Inclusive Communities

EMPOWERING WOMEN ENTREPRENEURS IN INDIA

Dow India helped rural women entrepreneurs at the fourth Mann Deshi Mahotsav – a flagship event and a channel to market for businesswomen. The Mann Deshi Foundation empowers rural women with the knowledge, skills and access to capital to start a new business and become economically empowered. Its business schools have seen an impressively high success rate, as more than 50% of women who undergo training reported an increase in their monthly incomes. Drawing more than 60,000 people, the Mann Deshi Mahotsav offered a place where farmers, artisans and women entrepreneurs could exhibit and market their local produce and artifacts. The Mahotsav also created a platform to spread awareness on how small efforts in segregating packaging material can divert waste to landfills and help in recycling for future use.



PEOPLE SPOTLIGHT

SHARON SINGH

Sharon Singh, a Dow Packaging & Specialty Plastics customer manager and member of Dow's Disability Employee Network, championed the Plastics for Recycling wheelchair project in South Africa after she saw how a family member who was disabled and unable to afford a wheelchair could not live a normal life. This led Singh to submit the Sweethearts Foundation's Tops & Tags Initiative for grant money through Dow's ALL IN ERG Fund. The nonprofit works with corporations, schools and volunteers to salvage the plastic of bottle tops and bread tags. Once collected, these items are recycled by a converter into seedling trays, frames, biscuit trays and other products. The converters provide either wheelchairs or money to purchase wheelchairs in exchange for the recycled plastic.

Thousands of South Africans remain bedridden or rely on family members to carry them because they lack access and funds to buy wheelchairs. Others turn to makeshift, unsafe homemade alternatives. "Advancing a circular economy while changing lives is a win-win," Singh said. "The simple act of obtaining a wheelchair represents freedom and opportunity. With a wheelchair, beneficiaries have been able to get an education, gain employment and be less reliant on others."



Developing Tomorrow's Innovators

As a materials science company, Dow embraces the importance and value of investing in Science, Technology, Engineering and Math (STEM) education and diversity. To help create and prepare a stronger workforce of tomorrow, we are investing in STEM programs that help build the skills that today's youth will need to become creative, critical thinkers prepared to participate and thrive in a complex global environment.

Our focus on STEM is two-fold:

- **Inspiring and preparing the next generation of manufacturers, engineers and chemists:** From investing in building trades programs at targeted Dow locations to volunteering at K-12 schools to spark interest in STEM careers, we seek opportunities to reach and excite under-represented populations about manufacturing, engineering and chemistry.
- **Fostering the innovative mindsets and creativity of our future workforce:** To reach breakthrough solutions to some of the world's greatest problems, we need to cultivate out-of-the-box thinking and curiosity at all levels of the educational system. We do this by engaging with our schools, inviting students into Dow, and funding research that offers real-world experiences and inspires students to think differently and solve problems in new ways.



INSPIRING STEM STUDENTS IN ALGERIA

Dow partnered with World Learning in Algeria to establish a STEM Center in Algiers in 2015. The center has now hosted **more than 2,500 students** and has become a model for STEM education across Algeria. As part of the program, teachers and mentors from across Algeria completed an intensive 16-session STEM teaching methodology course and started hosting student workshops at the STEM Center. Dow also facilitated a collaboration between WE and the STEM Center to launch the "WE Are Innovators" program there. The program challenges elementary and high school students to use STEM skills to develop innovative ideas to address challenges in their communities and around the world.



Developing Tomorrow's Innovators

PARTNERING WITH JUNIOR ACHIEVEMENT IN CHINA

The “Our City” program teaches students ages 10-11 in China to learn about sustainable urbanization. Dow initiated the education program in 2007 in partnership with Junior Achievement. The 12-week program teaches basic concepts of sustainability and circular economy. To date, the program has impacted more than **650,000 students** and nearly **17,000 teachers** across **35 cities** in China and involved 2,650 Dow volunteers.

Despite COVID-19, in 2020 we managed to implement the “Our City” program in **22 cities** across the country. A total of **36,054 primary school students** and **827 teachers** participated in the “Our City” program, in which nearly **18,000 students** were taught about plastics recycling.



PEOPLE SPOTLIGHT

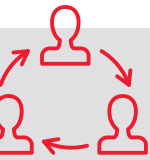
ANDRES POSADA

Partnering with *FIRST*® Robotics in Mexico City

Since 2017, Andres Posada, senior marketing manager for Dow Consumer Solutions based in Mexico City, has developed a strong partnership with the WinT3794 *FIRST*® Robotics team, formed by students from the Universidad Tecmilenio, Campus Toluca.

Innovation has been top of mind with this partnership. Andres has helped students introduce DOWSIL™ technologies in their robots. For example, DOWSIL™ 7091, a high-performance, neutral-cure silicone adhesive, helped the team's robots keep all their parts in place against any impact from competitors.

Off the playing field, Andres and the students have been working to conquer the challenges of COVID-19. By working on a face shield prototype with Dow components, including PU foam and silicones, the team produced face shields that were donated to local businesses in Toluca, Mexico.



Engaging Employees for Impact

By engaging our employees, we're focused on advancing sustainable solutions, building inclusive communities and developing tomorrow's innovators. Volunteering supports these global citizenship priorities, improves the employee experience and advances the Dow ambition.

INVESTING IN TEAM DOW

Globally, Dow has a vested interest in supporting and challenging employees to live out our ambition in the communities in which we live and work, and those around the world.

EVOLVING OUR POLICIES

In 2020, we provided U.S. employees with **paid time-off to vote** through a new U.S. Civic Duty and Engagement Pay Policy, as well as the information and resources they needed to participate in the November presidential election. This policy included four hours of paid time-off for voting and other nonpartisan-related civic activities, and was supported by the Dow ACTs steering team as a way to promote advocacy among our employees.

In February 2021, we announced Dow's first-ever Volunteer and ERG Participation Policy, which will allow Dow employees **paid time-off to volunteer and engage in Employee Resource Group (ERG) activities**. The policy will go into effect in the second half of 2021 and is designed to support and encourage employees to participate in ERGs and give back to our communities.



PEOPLE SPOTLIGHT

MEGAN CLARK

Improvement manager Megan Clark played a key role in organizing #PullingOurWeight cleanups that collected more than **a million pounds of debris** after a historic flood hit her hometown of Sanford, Michigan. In May 2020, swollen floodwaters breached two local dams, causing devastating damage. When walking through the community with the U.S. Army Corps of Engineers debris experts, Clark saw an entire home that had been swept into the river and described the amount of waste as “unbelievable.”

“I live in Sanford. When the dams broke, we had to evacuate. When we came back, I wanted to do everything I could to help out,” Clark said. *“A #PullingOurWeight cleanup marries the ability of Dow to collect debris and waste and do it for a really high-need area.”*



Engaging Employees for Impact

FOCUSING ON PURPOSEFUL PROGRAMS

In 2020, the global pandemic required us to take extra precautions to ensure volunteer safety and protect the safety, health and well-being of our employees and our communities. This required agile approaches to delivering and cultivating in-person and remote engagement opportunities. Team Dow responded.

Investing in get-out-to vote efforts:

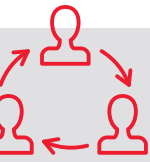
As Dow entered the final stretch of the 2020 U.S. election season, Dow encouraged employees to engage to ensure our voices are heard at all levels of government for the communities in which we live, while ensuring our culture, values and ambition are maintained. In addition to providing paid time-off for voting, Dow **joined more than 100 other companies that are “100% in for Democracy”** by becoming a member of the Civic Alliance. The Civic Alliance is a non-partisan group of businesses working together to build a future where everyone can vote, volunteer and participate in shaping the United States. Dow engaged employees in a number of ways, including encouraging employees to get involved in elections through activities such as volunteering as a poll worker on Election Day or joining non-partisan, peer-to-peer outreach programs.

Tackling plastic waste through #PullingOurWeight: Dow is committed to creating plastics for a circular economy; so, from design to disposal, the value of plastic is retained while eliminating the burden it places on the environment. As a part of this ongoing mission, Team Dow continued to mobilize through our **#PullingOurWeight program**. Launched in 2018, #PullingOurWeight is a series of global cleanups that encourage responsible waste management and plastic disposal.

Despite the challenges posed by COVID-19 in 2020, our #PullingOurWeight program delivered:

- **6,400+ participants**, including employees, families and customers in all Dow regions, volunteered and collected **1,208,100 pounds of waste** through **63 cleanup events** across **28 countries**.
- A considerable amount of waste was collected in Dow's own backyard in the aftermath of a 500-year flood in the Midland, Michigan, area.
- For the first time ever, we joined the **Alliance to End Plastic Waste's All Together Global Cleanup campaign**, a global initiative to remove waste from the environment, one piece of litter at a time.
- The program launched several new features, including education resources for employees, a [virtual app](#)⁷ and a new external [#PullingOurWeight Pledge](#)⁷.





Engaging Employees for Impact

Increasing nonprofit capacity through board training: As rewarding as serving on a board is, it can be one of the most challenging volunteer assignments. Having the right expertise is important. Dow, in partnership with BoardSource, a recognized leader in nonprofit board leadership that supports, trains and educates nonprofit leaders from across the world, launched a new **Certificate of Nonprofit Board Education for Team Dow** in October 2020. Open to all Dow employees, this virtual resource is designed for those who want to learn how to leverage their unique skills to make a difference and be an effective and engaged nonprofit board member.

Connecting employee investments to the greatest local and global needs: Doing good comes in many different forms. In 2020, great emphasis was placed on focused workplace giving campaigns that helped catalyze employee donations and put them to work in helping rebuild lives after disaster hit. Specifically, campaigns have been launched to support relief and resiliency efforts related to the Australia wildfires, the Beirut Port explosion, the 500-year flood in Michigan and COVID-19. In addition, employee donations helped improve education, financial stability and health in our North American communities in partnership with United Way Worldwide.

EMPLOYEE GIVING

- >\$3MM collected and donated from employee giving programs
- Support distributed to more than 550 local and global organizations worldwide





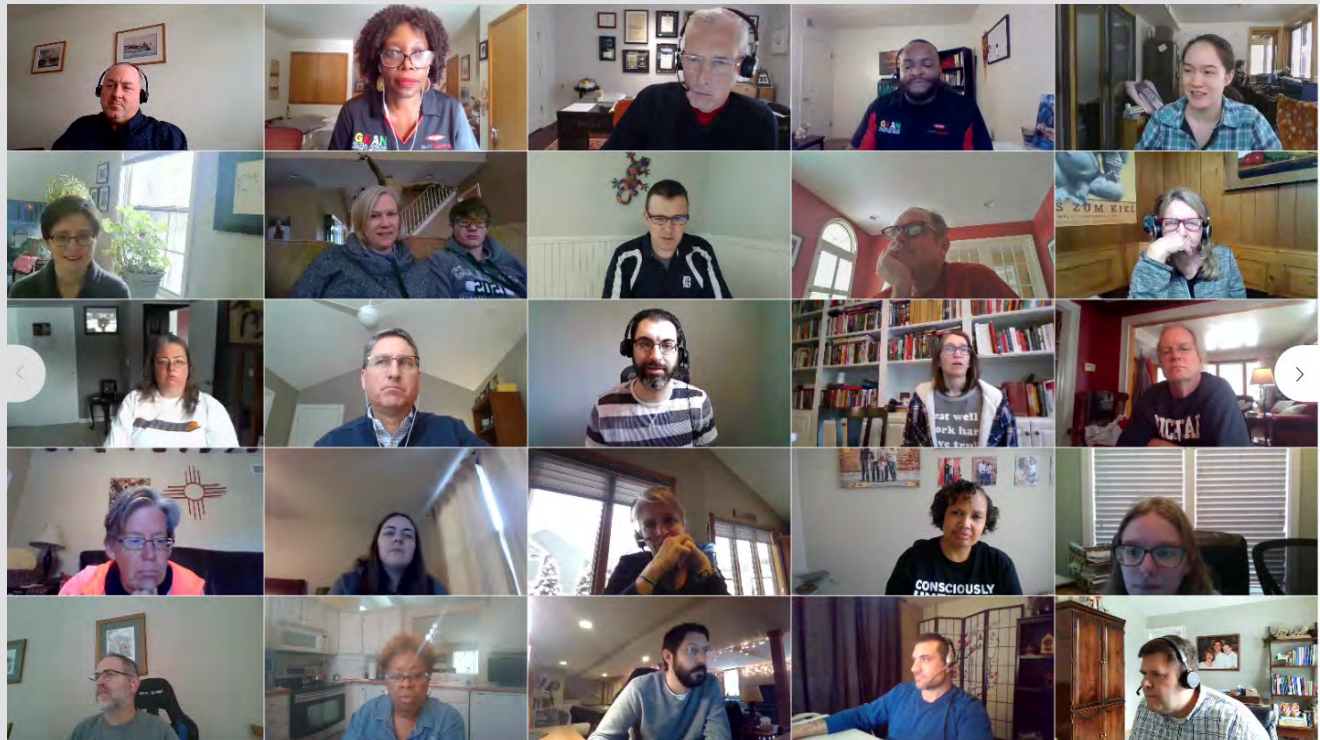
Engaging Employees for Impact

MLK DAY: A DAY ON, NOT OFF

In 2021, we recognized Martin Luther King Jr. Day for the first time as an annual paid day off in the United States. Recognizing how service breaks down barriers by bringing diverse people together, we asked Team Dow to not just take time “off” but to take time “on” to give back to our communities. More than **800 Team Dow volunteers** provided **2,700 hours** of service through **34 in-person and remote opportunities**. Collectively, these volunteers demonstrate our commitment to respond to racism and inequality, and help meet the needs of our underserved communities.

Team Dow volunteer activities included:

- Supporting community needs:** Partners such as Cradles to Crayons Philadelphia, Feeding America Kentucky’s Heartland, Inc., Gallatin County Food Pantry, Mitzvah Circle Foundation, Manna on Main Street, United Way, ActionS Inc., Brazoria County Dream Center and River of Hope Inc. embraced Team Dow in their missions to lift up the growing number of individuals and families in our communities who are in need of food, shelter and clothing for survival.
- Building digital access to history:** Through digital transcription, 200+ volunteers from Team Dow and Midland Public Schools helped the Smithsonian National Museum of African American History and Culture increase access to post-Civil War era and post-Emancipation Freedmen’s Bureau records containing important knowledge and perspective on our history.
- Nurturing the workforce of tomorrow:** Dow volunteers held virtual career discussions in Texas and Michigan with the YMCA; aided the opening of Change Today, Change Tomorrow Inc.’s education center in Kentucky; and beautified a new workforce center for Baton Rouge, Louisiana, youth.





Collaborating with Communities

We're always looking for ways to use the power of partnership to drive positive impacts for our company and communities.

WE PARTNER

Cultivating inclusion for all: During 2020, Dow seconded an employee to develop and drive the Midland Public School (MPS) District's Diversity, Equity and Inclusion (DEI) strategy. In this role, the employee provided leadership, expertise and insights to the MPS DEI strategy and partnered with internal and external stakeholders to further accelerate the district's strategy of building an inclusive culture.

Supporting a circular economy: Dow is a founding member of the Alliance to End Plastic Waste, an NGO formed in 2019 to develop and scale solutions that manage plastic waste and promote post-use solutions of plastic. The Alliance includes companies from across the global plastics and consumer goods value chain. Dow assists the Alliance through evaluation of project proposals, prioritization of project ideas, and implementation of project plans and has seconded an employee to support this initiative since inception.

Contributing effective leadership: We partner with nonprofit organizations by also engaging in and participating on boards and advisory committees to advance organizational objectives and community outcomes. At the end of 2020, **63% of Dow's level one (CEO and direct reports) and 36% of level two leaders**, sat on the boards of multicultural organizations – and most were involved in community inclusion and sustainability efforts related to their respective board positions.

Responding to the COVID-19 pandemic: In March and April 2020, Dow received hundreds of requests for COVID 19-related assistance from our communities. Community hospitals, schools and businesses requested personal protective equipment (PPE) and hand sanitizer, financial support and value chain collaboration. Dow mobilized a team to capture community pandemic-related requests and identify opportunities for support. In response to community requests, Dow produced hand sanitizer at multiple manufacturing sites and collaborated to develop and donate Level 2 medical isolation gowns, among other actions. Charitable contributions budgets for Dow and the Dow Company Foundation also were redirected to provide financial support to local nonprofits addressing pressing pandemic needs.



PEOPLE SPOTLIGHT

MICHELLE BOVEN

Michelle Boven, global marketing director for Turf, and Health & Hygiene, led our Packaging and Specialty Plastics business efforts to respond to community needs during the pandemic. This team worked to address the urgent need of PPE for frontline workers battling COVID-19 by creating face shields, hospital gowns and a respirator. Michelle worked tirelessly to connect value chain partners and forge innovative collaborations to assist communities around the globe. After a donation of **100,000 hospital gowns** to facilities in Texas, Louisiana and Mexico, the team quickly developed an all-polyethylene option for commercial sale.



Collaborating with Communities GRI 413-1

WE LISTEN

At Dow, we believe community input is essential to success.

Community awareness and outreach: At Dow's manufacturing sites, community awareness and outreach policies are integrated into our operating management discipline system, and sites are audited on this policy on a regular basis. The policy requires stakeholder lists, stakeholder education activities, a community outreach program, communications process, and community dialogue process. In particular, at Dow's large manufacturing sites, community stakeholder engagement is a key priority, with resources aligned to ensure strong community involvement along with active listening by both Dow and our community partners.

Community Advisory Panels: Sixty-seven percent of U.S. Dow sites have Community Advisory Panels (CAPs) or participate in a multi-company Community Advisory Council with local industry peers. Through strong and dedicated community engagement, we share information on a number of topics including environmental performance, safety and emergency preparedness, and collaborate on a variety of topics such as economic development, health and wellness, infrastructure, poverty, housing and food security, to effect real change. This type of collaboration builds and reinforces strong relationships between Dow and the community.

In addition to U.S. Dow sites, there are CAPs in other Dow regions such as Latin America. We also engage with other industries and corporations through national organizations, across Dow regions. The feedback we receive, whether it is through CAP meetings, local government organizations, industry partnerships, or directly from community members, is addressed in order to maintain the highest standards of safety, security and emergency preparedness in every Dow community. Community members have access to Dow and Dow-related information 24/7, whether it is through social media, WhatsApp, local community hotlines, Dow websites, and/or email. Dow is committed to acting on community input and communicating transparently to ensure our communities where we live and work remain strong and vibrant.





Collaborating with Communities GRI 413-1

WE RESPOND

Dow is committed to playing an active role in helping to shape the communities where we have a presence, through collaboration, advocacy and employee engagement on important topics facing society. We respond to:

- **Racial injustice** through [Dow ACTs](#)
- **Legislative issues** of importance to Dow through our Government Affairs organization. Government Affairs helps build relationships with government stakeholders, policy influencers, lawmakers, coalitions, and trade and business associations who impact Dow's interests and business concerns.
- **Disasters and crisis situations** through an integrated, multilayered and collaborative approach. Dow has set trigger criteria to activate the crisis management process. When an event occurs that meets the trigger criteria – whether a pandemic, flood, hurricane or acts of racial violence – Dow takes immediate action through its crisis management practices and disaster relief efforts.

CRISIS MANAGEMENT: KEEPING OUR COMMUNITIES SAFE

Our leaders and their respective cross-functional crisis and/or incident management teams are trained, prepared and equipped to handle crises when they arise. Through regular drills, scenario planning and a host of documented procedures, Dow sites have the preparedness plans in place for unforeseen situations that have the potential to impact our business, employees or the communities where we operate. Measures and procedures are in place for potential threats, including cyberattacks, manufacturing incidents, disease outbreaks, terrorist attacks, natural disasters and more. When a crisis occurs, the Corporate Crisis Management Team oversees the actions of local crisis teams and ensures they have the necessary resources. Our multifunctional approach includes participation from Dow businesses and functions including Supply Chain, Operations, Aviation, Government Affairs, Public Affairs, Environment, Health & Safety, Human Resources, Legal and Emergency Safety & Security. Local crisis teams develop and execute the response and recovery plan. In addition, we work closely with global relief organizations and community partners to provide resources aligned with community needs.



2020 Disaster Relief Response

When disasters disrupted everyday life, we worked with our relief partners to provide support and resources that helped people recover and rebuild.

COVID-19: Early in the pandemic, Dow committed **\$3 million** to provide pandemic-related relief across the world. We created and shared an [external playbook](#)⁷ to share key practices with other organizations, and allocated an additional **\$1 million+** in funding to assist Dow communities with their greatest needs.

Midland Flood: After a 500-year flood struck our hometown in Midland, Michigan, our Dow team coordinated with multiple regional nonprofits to deliver much-needed relief for community residents. The collaborative approach enabled **delivery of supplies, food, clothing and water**. Distribution centers were created, manned by Dow employees, and an employee assistance fund was administered, raising more than \$350,000 to help colleagues in need.

Additional Support: We also allocated funding to assist recovery efforts after Hurricane Laura, the Beirut Port explosion and Australian bush fires.



Global Citizenship Governance GRI 413-103

FOUNDATION BOARD OF DIRECTORS

Dow created a corporate foundation in 1979. The Dow Company Foundation is governed by a set of bylaws and a Board of Directors. In 2019, the foundation's Board of Directors approved Dow's current Global Citizenship strategy, which guides strategic grant-making across Dow geographies.

In addition to foundation giving, Dow also provides charitable contributions directly through the company. Company contributions are governed by a Corporate Contributions Committee. In 2020, a total of \$33.6 million was given by the foundation and company, aligned to Dow's Global Citizenship strategic priorities. The Global Citizenship team, within Dow's Global Public Affairs organization, is accountable for leading and managing the investments in compliance with country and local regulations.

Local and inclusive committees exist within each Dow region, to review, approve or decline grants. All requests for grants meeting the minimum threshold of \$300,000 and above go to the foundation Board of Directors or Corporate Contributions Committee for review, approval or declination. Additionally, the Environment, Health, Safety & Technology Committee of Dow's Board of Directors provides oversight for corporate social responsibility and philanthropy, corporate reputation, and science and technology, as described in its charter.

RISK MANAGEMENT

Dow engages in two key practices to manage risks associated with financial donations. The first is partnering with Charities Aid Foundation of America (CAF America), an external third party, to review, vet and distribute Dow funding to eligible organizations outside of North America. This review helps ensure the recipients are valid and credible organizations, thus abating the risk of Dow giving to a questionable organization. The second practice is participation in a detailed and comprehensive audit process conducted by Dow's Corporate Auditing Department, which ensures all donation-related laws and regulations are followed.

In 2020, Dow enacted [Dow ACTs](#) and committed more than \$10 million to address racial injustice. Global Citizenship, through advisement and application of its governance practices, contributes to managing and measuring impact of the investments and related risk associated with company donations.





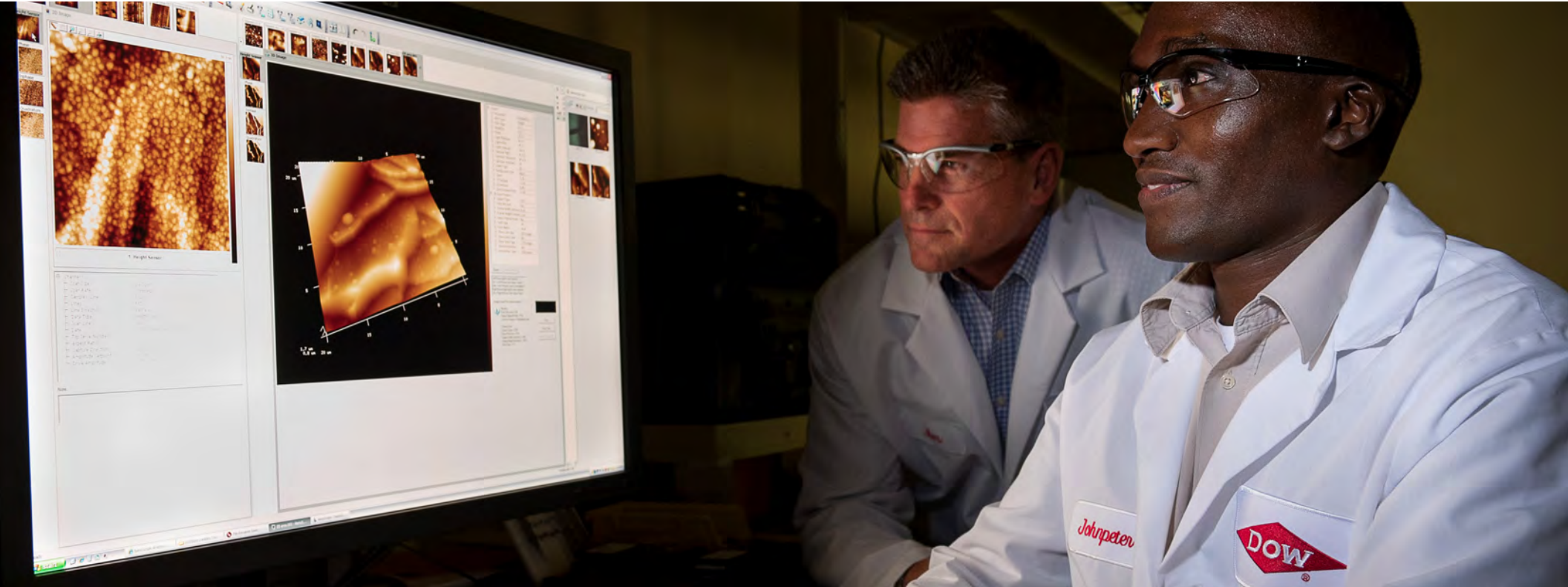
**CORPORATE GOVERNANCE:
INSTRUMENTAL TO
ACCOUNTABILITY**



Holding Ourselves Accountable

For nearly 125 years, Dow has built an invaluable asset: our reputation for operating with the highest ethical standards, transparency and fairness. Dow’s values of Respect for People, Integrity and Protecting Our Planet are fundamental beliefs that are ingrained in every action we take and are the foundation of our company’s success.

Adherence to best-in-class corporate governance practices is how we hold ourselves accountable to all our stakeholders, while protecting the long-term interests of our shareholders.





Best-in-Class Governance Begins with Our Board

Dow's best-in-class governance begins with our highly skilled, diverse and independent [Board of Directors](#)⁷. The strong connection between the results of companies with diverse boards and ESG performance is clear.

Dow continues to lead the way in this area, bringing not just a diverse Board to the table, but also one with a broad spectrum of expertise and experience.

Dow is highly intentional when identifying and nominating directors and continually refreshes the Board to ensure we benefit from a broad and new set of perspectives, which is critical to our long-term competitiveness.

Rich Expertise and Diverse Experience

6/11 **Public company CEO or CFO experience**
Directors who have held leadership positions in a public company possess an understanding of the regulations and considerations that are unique to a public company.

8/11 **Financial accounting experience**
Directors with an advanced understanding of finance and accounting provide strong oversight of the company's preparation of financial statements and risk management.

6/11 **Public policy experience**
Directors with public policy and government experience have key insight into the role of regulatory issues and government affairs affecting the company.

7/11 **Manufacturing and industry experience**
Directors who have experience in the industry and markets served by Dow offer valuable perspective for operations.


8/11 **Corporate governance expertise**
Directors with previous public company board experience enhance the Board's corporate governance practices.

7/11 **Technology and science expertise**
Directors who have expertise in the science or technology fields are particularly important given the company's focus on research and innovation.

8/11 **Environmental and social impact experience**
Directors with environmental, sustainability and social impact experience strengthen the Board's oversight of environmental and social policies, initiatives, and reporting.

9/11 **Fewer than 5 years on the Board**
Continually electing new Directors constantly refreshes and energizes our Board with new viewpoints and areas of expertise.

6/11 **Female or U.S. ethnic minorities**
Directors from diverse backgrounds provide unique input and experiences that broaden the perspectives of our Board.

 **Dow is in the top quartile for board diversity among the compensation peer group.**



Meet Our Newest Directors

Four new Board members have joined since April 2020.



Gaurdie Banister Jr.² is the former President and CEO of Aera Energy LLC, one of California's largest oil and gas producers. He brings significant global business and leadership expertise, and has a strong background in public company board service, engineering and the oil industry. He provides valuable perspective in strategic planning, risk management and operational excellence.

Director since August 2020



Debra L. Dial² is the Senior Vice President and Controller of AT&T Inc. She has more than 25 years of experience in financial reporting, accounting policy and capital allocation with a Fortune 10 global telecommunications and media company. She has experience in driving merger integration, overseeing SEC reporting financial policy and governance, cost transformation and enterprise risk management.

Director since April 2021



Jill S. Wyant² is the President and Chief Executive Officer of Madison Indoor Air Quality, a portfolio of brands and teams specializing in indoor air quality, and is the former executive Vice President of Ecolab Inc. She brings more than 25 years of experience leading Fortune 500 businesses in the industrial and health care sectors, and expertise in driving enterprise-wide digital transformations, global expansions and sustainability initiatives.

Director since April 2020



Luis Alberto Moreno² serves as Managing Director at Allen & Co LLC, a private investment bank, and is former President and Chairman of the Board of Executive Directors of Inter-American Development Bank Group (IDB), the leading and principal source of long-term financing for Latin America and the Caribbean. He brings significant expertise in the areas of finance, public policy and social, economic and institutional development.

Director since April 2021



Ensuring Governance Best Practices

As part of our commitment to the highest ethical standards, Dow applies sound governance practices and has adopted several policies in direct support of our Company’s values and that which protects the interests of our stakeholders. We are committed to Board independence, have a strong independent lead director with clearly defined responsibilities, and all our Board committees are composed of independent directors. Our Board is committed to Dow’s long-term success and we require directors to hold company-granted shares until retirement. We are fully committed to best practices for stockholder rights, with no supermajority voting requirements, and allow eligible stockholders to nominate directors through proxy access. Dow regularly reviews our already strong governance practices to reflect the constantly evolving operating environment and to continuously improve.

Board Independence	Director Elections	Board Practices	Stock Ownership Requirements	Stockholder Rights
<ul style="list-style-type: none"> • 10 out of 11 directors are independent • All Board committees are composed of independent directors • Strong independent lead director with clearly identified role and responsibilities 	<ul style="list-style-type: none"> • Annual election by majority of votes cast • Demonstrated Board refreshment and diversity • Directors subject to resignation policy if not elected 	<ul style="list-style-type: none"> • Independent directors regularly hold executive sessions • Annual Board and committee evaluations • Director orientation and education programs 	<ul style="list-style-type: none"> • Directors are subject to stock ownership guidelines • Directors are required to hold company-granted equity awards until retirement • Hedging and pledging company stock is prohibited 	<ul style="list-style-type: none"> • Stockholder right to call special meetings with 25% ownership • No supermajority voting requirements • Eligible stockholders can nominate directors through the proxy access

New Practices Aligned to Dow’s Commitment to Governance Improvement

- Continued our focus on Board succession planning and refreshment, electing two new directors in 2020 and two in 2021 and updating our Board qualifications and refreshment guidelines
- Reinforced our commitment to continuous improvement of ESG reporting, progressing implementation of Task Force on Climate-related Financial Disclosures (TCFD) recommendations by 2022 and expanding sustainability reporting to align with SASB
- Demonstrated our commitment to transparency with external publication of the U.S. EEO-1 Workforce Compliance Report
- Further enhanced our reporting for ESG leadership and performance within the Proxy Statement
- Expanded ESG accountability across the company by adding ESG metrics to our Executive Compensation and employee [Performance Award programs](#)
- Joined the Board Diversity Action Alliance





Governance Structure GRI 102-18

Dow is governed by its Board of Directors, which is responsible for broad corporate policy and overall performance of the company through oversight of management and stewardship. Among other duties, the Board appoints the company's officers, assigns to them responsibility for management of the company's operations, and reviews their performance.

CORPORATE GOVERNANCE GUIDELINES

The Board adopted Corporate Governance Guidelines designed to assist Dow and the Board in implementing effective corporate governance practices. The guidelines are reviewed regularly by the Corporate Governance Committee in order to continue serving the best interests of Dow and its stockholders. Among other things, these guidelines delineate the Board's responsibilities, independence, leadership structure, qualifications, election, annual self-evaluation, and access to management and advisors. The Corporate Governance Guidelines, practices and policies are available on Dow's website at investors.dow.com⁷.

BOARD COMMITTEES

Committees of the Board are another key component of Dow Governance. The responsibilities of each committee are stated in the bylaws and in their respective committee charters. The Board currently has four committees, each with responsibilities related to economic, environmental and social topics:

- The Environment, Health, Safety & Technology Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to environment, health, safety, corporate social responsibility, public policy, philanthropy, corporate reputation, and science and technology, as described in its charter.

- The Compensation and Leadership Development Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to work environment, culture, diversity, inclusion and remuneration as described in its charter.
- The Corporate Governance Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to governance, board composition and board performance, as described in its charter.
- The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to financial reporting, risk management, internal controls, and compliance with legal and regulatory requirements, as described in its charter.

Additionally, the non-employee directors meet in executive session in connection with each regularly scheduled meeting of the Board, and at other times as they may determine appropriate. During 2020, there were six executive sessions of the Dow Board led by the non-executive chairman until April 9, 2020, when the lead director was appointed and assumed the responsibility for leading the executive sessions. The committees typically meet in executive session in connection with every committee meeting.

A detailed review of Dow's governance structure can be found in the Corporate Governance section of the [2021 Proxy Statement](#)⁷ that was filed with the SEC on March 5, 2021.





DELEGATION OF AUTHORITY GRI 102-19

Dow employs a systematic delegation of authority structure from the Board of Directors to the Dow leadership team and then through the company by role and responsibility in the organization. This structure enables leaders to manage the day-to-day affairs of the company and make business decisions, while allowing the Board of Directors to retain oversight and focus on Dow’s overall business strategy. This authority includes decision-making on economic, environmental and social topics.

EXECUTIVE-LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS GRI 102-20

Responsibility for economic, environmental and social topics are held by the Dow Leadership Team and the Dow Operations Team including the president and chief financial officer, chief sustainability officer, chief human resources and inclusion officer, vice president of Public Affairs, and general counsel and corporate secretary.

CONSULTING STAKEHOLDERS ON ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS GRI 102-21

Stakeholders may communicate with the full Board, the chairman, the independent directors as a group or individually by mail addressed to Dow Inc., c/o Office of the Corporate Secretary, 2211 H.H. Dow Way, Midland, Michigan 48674 as described in the company’s Corporate Governance Guidelines.

An overview of Dow’s engagement efforts and review by the Board and management team can be found on Page 17 of the [2021 Proxy Statement](#)⁷ filed with the SEC on March 5, 2021. See additional information under [Stockholder Engagement](#).





COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES GRI 102-22

As of June 1, 2021

	Name and Principal Occupation	Age	Director Since ¹	Independent	Number of Other Public Company Boards	Board Committees	Committee Chairs	Public Company CEO/CFO Experience	Public Policy Experience	Technology and Science Expertise	Financial and Accounting Expertise	Manufacturing and Industry Experience	Corporate Governance Experience	Environmental and Social Impact Experience
	Samuel R. Allen Former Chairman and Chief Executive Officer, Deere & Company	67	2019	☑	1	● ● ●	●							
	Gaurdie Banister Jr. Former President and Chief Executive Officer, Aera Energy LLC	63	2020	☑	1	● ● ●								
	Wesley G. Bush Former Chairman and Chief Executive Officer, Northrop Grumman Corporation	60	2018	☑	2	● ● ● ●								
	Richard K. Davis Lead Director, Dow President and Chief Executive Officer, Make-A-Wish America	63	2015	☑	1	● ● ●	●							
	Debra L. Dial Senior Vice President and Controller, AT&T Inc.	60	2021	☑	0	● ● ●								
	Jeff M. Fettig Former Chairman and Chief Executive Officer, Whirlpool Corporation	64	2003	☑	1	● ● ●	●							
	Jim Fitterling Chairman and Chief Executive Officer, Dow	59	2018		1									
	Jacqueline C. Hinman Former Chairman, President and Chief Executive Officer, CH2M HILL	59	2018	☑	2	● ● ● ●	●							
	Luis Alberto Moreno Managing Director, Allen & Co LLC	68	2021	☑	1	● ● ●								
	Jill S. Wyant President and Chief Executive Officer, Madison Indoor Air Quality	49	2020	☑	0	● ● ●								
	Daniel W. Yohannes Former U.S. Ambassador to the Organisation for Economic Co-operation and Development	68	2018	☑	1	● ● ●								

● Audit ● Corporate Governance ● Compensation and Leadership Development ● Environment, Health, Safety & Technology

¹ Reflects cumulative years served as a Dow Inc. director, The Dow Chemical Company-designated director serving as a DowDuPont Inc. director, a member of the DowDuPont Inc. Materials Advisory Committee, or The Dow Chemical Company director as applicable.

The composition of the Board of Directors and its committees are available on Dow's website at investors.dow.com⁷. A detailed summary of the Board's composition and qualifications can be found in the Agenda Item 1: Election of Directors section of the [2021 Proxy Statement](#)⁷ filed with the SEC on March 5, 2021.



CHAIR OF THE HIGHEST GOVERNANCE BODY GRI 102-23

The Board recognizes that the leadership structure and combination or separation of the chief executive officer and chairman roles are driven by the needs of the company. As a result, no policy exists requiring combination or separation of leadership roles. Currently, the roles of chief executive officer and chairman are combined. Jim Fitterling was appointed executive chairman on April 9, 2020. Mr. Fitterling's 37-year tenure and multiple roles with the company makes him uniquely suited to facilitate the Board's oversight of strategy and safe and effective business operation. Mr. Fitterling is the only member of executive management who is also a director and the only director who is not independent.

Richard K. Davis was appointed as lead director on April 15, 2021, succeeding Jeff M. Fettig in the role. In accordance with best practices and the company's Corporate Governance Guidelines, the independent directors elect a director from among their membership to serve as lead director. The lead director, who is elected annually, has clearly defined leadership authority and responsibilities. To be selected to serve as the independent lead director, an individual must have served at least one full year on the Board, effectively communicate and engage with the other independent directors, and possess public company

and corporate governance experience. The election of a separate lead director and supporting governance practices such as the use of executive sessions, the Board of Directors' robust committee structure and substantial majority of independent directors ensure a strong and independent board.

NOMINATING AND SELECTING THE HIGHEST GOVERNANCE BODY GRI 102-24

A detailed review of the process for nomination and selection of directors to serve on the Board can be found in the Corporate Governance section of the [2021 Proxy Statement](#)⁷ filed with the SEC on March 5, 2021.

The Corporate Governance Committee has responsibility for reviewing the composition of the Board and recommending refreshment to meet the evolving needs of the company and maintain an appropriate balance of 1) qualifications and experience, 2) ethnic and gender diversity, and 3) tenure of longer-serving directors with continuity and depth of company knowledge and new directors with fresh perspective. The Corporate Governance Committee reviews the annual Board and committee self-evaluations to identify additional director qualifications, skills, experience, attributes and diversity that would enhance overall Board effectiveness. Age-based retirement practices also help

the Board prepare for turnover and engage in succession planning.

ROLE OF HIGHEST GOVERNANCE BODY IN SETTING PURPOSE, VALUES AND STRATEGY

GRI 102-26

The Board has responsibility for overseeing the strategic planning process and annual review of the corporate and business plan. The Board is responsible for overseeing the overall risk management process for the company, including review and approval of the enterprise risk management model and process implemented by management to identify, assess, manage and mitigate risk. The Board delegates the day-to-day management of the company, including setting the values and mission of the company and execution of strategic priorities, to Dow's chief executive officer and other senior executives and provides guidance to and oversight of management.

Board Committees Provide Oversight and Risk Management

In addition to diverse and highly skilled members with relevant expertise, Dow's Board has well-defined committees that actively oversee the company's ESG goals and performance.



COLLECTIVE KNOWLEDGE OF HIGHEST GOVERNANCE BODY GRI 102-27

[Refer to Composition of the Highest Governance Body and its Committee](#) for details about the experience and expertise of the Board.

DIRECTOR ORIENTATION AND CONTINUING EDUCATION

Directors are active and engaged, starting with onboarding. All new directors participate in a robust orientation to familiarize them with the company's plans, its significant financial, accounting and risk management issues, its policies and compliance processes, including the Code of Conduct and its strategic priorities. On an ongoing basis, directors receive materials or briefing sessions regarding the

operations of the company, key initiatives and risks. Each regularly scheduled Board meeting includes a key business spotlight, where senior management presents the details of their business, including updates on financial results, geographic footprint, human capital and key innovations.

Outside experts, including in the areas of the environmental, social and governance matters and country risk, are invited to make in-depth presentations to directors during the Board's regular meeting cycle. While some in-person activities have been paused during the COVID-19 pandemic, site and facility tours are frequently arranged and will resume once health and safety guidelines permit.

EVALUATING THE HIGHEST GOVERNANCE BODIES PERFORMANCE GRI 102-28

The Board and each of its committees conduct an annual self-evaluation of its performance with a particular focus on overall effectiveness. The self-evaluation process is an effective tool in ensuring sound corporate governance practices, which are important to the success of Dow's business and in advancing stockholder interests. The self-evaluation process provides valuable insight regarding areas of effectiveness and opportunities for improvement. For example, feedback on the composition of the Board supported recent refreshment efforts and prompted corresponding updates in the company's Corporate Governance Guidelines in 2020. The process is outlined below.

Board Evaluation Process





REVIEW OF ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS GRI 102-31

Dow held six Board meetings and the committees of the Board collectively held 25 meetings for a total of 31 meetings in 2020 during which economic, environmental and social topics were discussed. The Audit Committee held 10 meetings in 2020, and the other committees held five each.

The Board actively engages with management in oversight and stewardship of the company's strategy, risk management and overall performance. Committees composed of independent directors assist the Board in carrying out its responsibilities. Committees operate pursuant to a written charter with clearly defined areas of responsibility and risk oversight as outlined below.

Although each committee is responsible for its key areas of risk and oversight, the full Board is regularly informed by a report of each committee's chair on the topics discussed and actions taken at each committee meeting. This enables the Board and the committees to coordinate oversight and the relationships among the various objectives and risks faced by Dow.

COMMUNICATING CRITICAL CONCERNS AND NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS GRI 102-33, 102-34

Throughout the year, management reviews any critical concerns and actual results compared to the strategic plan with the Board and relevant committee(s). In 2020, there were no critical concerns communicated to the board

outside of the regular communications related to corporate risks, eight of which are described [here](#). Executive management also regularly reviews and is available to discuss company strategy, plans, results and issues with the committees and the Board. The independent directors meet in executive session in connection with each regularly scheduled meeting of the Board, and at other times as they may determine appropriate, and the committees typically meet in executive session in connection with every committee meeting. In addition, the Audit Committee holds separate executive sessions with the lead client service partner of the independent registered public accounting firm, internal auditor, general counsel and other management as appropriate.

Throughout the year, members of the management team and in some cases members of the Board continued extensive outreach to stockholders, engaging with investors

AUDIT COMMITTEE

Key Responsibilities

- Quality, reliability and integrity of financial statements, and application of accounting principles
- Compliance with legal or regulatory requirements and adequacy of internal controls
- Performance of internal audit function
- Engagement and performance of independent auditor
- Oversee the company's risk management process

Risk Oversight

- Management and effectiveness of accounting, auditing, external reporting, ethics, compliance and internal controls, and cyber security

COMPENSATION & LEADERSHIP DEVELOPMENT COMMITTEE

Key Responsibilities

- Leadership talent assessment; CEO succession
- Executive compensation and benefit plans, including incentive programs
- Engagement and performance of independent compensation consultant
- Oversee company's work culture and philosophy; inclusion and diversity commitment and results

Risk Oversight

- Executive compensation practices and disclosures, succession planning and workplace culture

ENVIRONMENT, HEALTH, SAFETY & TECHNOLOGY COMMITTEE

Key Responsibilities

- Corporate social responsibility, public policy, philanthropy and reputation
- Sustainability efforts, including efforts to reduce carbon emissions and eliminate plastic waste
- Science and technology capabilities
- Political contributions and lobbying expenses
- Oversee the company's environment, health and safety policies, performance and compliance

Risk Oversight

- Environment, health and safety policies and operations, emerging regulatory developments and compliance

CORPORATE GOVERNANCE COMMITTEE

Key Responsibilities

- Identify and evaluate qualifications of director nominees
- Board structure and function, including annual evaluation of Board and Committee performance
- Oversee the company's governance practices

Risk Oversight

- Director independence, refreshment and succession planning, overall Board effectiveness, potential conflicts of interest, and other governance and compliance matters



who collectively held approximately 75% of outstanding shares of common stock of the company. Through this outreach, the management team updated investors on a range of topics, and also gained an understanding of the perspectives and concerns of each investor. The Board and management team carefully considers the feedback from these meetings, as well as stockholder support for our most recent advisory vote on executive compensation, when reviewing the business, corporate governance and executive compensation profiles. The company continually evaluates enhancements to our corporate governance, ESG and executive compensation practices, and appreciates engaging key stakeholders – including our stockholders – in the evaluation of these enhancements.

REMUNERATION POLICIES AND PROCESS FOR DETERMINING REMUNERATION

GRI 102-35, 102-36

A detailed review of Dow's remuneration policies and the process for determining remuneration can be found in the Compensation Discussion and Analysis section of the [2021 Proxy Statement](#)⁷ filed with the SEC on March 5, 2021.

Below are key governance characteristics and practices related to the Executive Compensation programs in which the executive officers participate.

Key Executive Compensation Practices

- ✓ Active stockholder engagement
- ✓ Strong pay-for-performance links between executive compensation outcomes, individual performance, and company financial and market performance
- ✓ Compensation program structure designed to discourage excessive risk-taking
- ✓ Significant focus on performance-based pay
- ✓ Each component of target pay benchmarked to median of either the compensation peer group or of the general market, as applicable
- ✓ Carefully considered compensation peer group with regular Compensation committee review
- ✓ Stock ownership requirements of six times base salary for the CEO and four times base salary for the other executive officers
- ✓ 100% independent Compensation committee
- ✓ Clawback policy
- ✓ Anti-hedging/anti-pledging policies applicable to directors and executive officers
- ✓ Independent Compensation consultant reporting to the Compensation committee
- ✓ No change-in-control agreements
- ✓ No excise tax gross-ups
- ✓ Modest perquisites
- ✓ Stock incentive plans prohibit option repricing, reloads, exchanges and options granted below market value without stockholder approval
- ✓ Regular review of the Compensation committee charter to ensure best practices and priorities

STAKEHOLDERS' INVOLVEMENT IN REMUNERATION

GRI 102-37

Annually, the company asks stockholders for an advisory vote on compensation for management. At the 2020 Annual Meeting of Stockholders, 88% of the votes cast by stockholders supported Dow's executive compensation programs. Furthermore, at the 2021 Annual Meeting of Stockholders, 94% of the votes cast by stockholders supported Dow's executive compensation programs.

The company continually evaluates enhancements to our corporate governance, ESG and executive compensation practices and appreciates engaging key stakeholders – including our stockholders in the evaluation of these enhancements. For example, we made the decision to add ESG metrics in our Executive Compensation and employee Performance Award programs to support ESG accountability across the company. [See here](#) for details.

Driving ESG Accountability
Dow expanded ESG accountability across the company by adding ESG metrics to our Executive Compensation and employee Performance Award programs.



Risk Management

MANAGING KEY IMPACTS, RISKS AND OPPORTUNITIES GRI 102-29, 102-30

To deliver value to our customers, employees, communities and shareholders, we must understand and manage the impacts, risks and opportunities faced across our entire enterprise. We use a number of tools to identify and prioritize risks and opportunities, including a sustainability materiality assessment, a stakeholder engagement process and our Enterprise Risk Management process. Risk management is a strategic activity within Dow, and our ability to manage risk creates opportunity as well. Corporate-level identification and management of risk is systematically accomplished using an integrated Enterprise Risk Management approach. Risk management results are regularly communicated to management.

The Board is responsible for overseeing the overall risk management process for the company, including review and approval of the enterprise risk management model and process implemented by management to identify, assess, manage and mitigate risk. Risk management is considered a strategic priority within the company, and responsibility for managing risk rests with executive management, while the Committees and the Board as a whole oversee the process.

The oversight responsibility of the Board and Committees is enabled by an enterprise risk management model and process implemented by management that is designed to identify, assess, manage and mitigate risks. The Audit Committee is responsible for overseeing that management implements and follows this risk management process and for coordinating the outcome of reviews by the other Committees in their respective risk areas.

Although each Committee is responsible for overseeing the management of certain risks as described above, the full Board is regularly informed by the Committees about these risks. This enables the Board and the Committees to coordinate risk oversight and the relationships among the various risks faced by the company. See Committee Responsibilities and Risk Oversight [here](#).



Risk Management GRI 102-15

The company establishes guidelines and policies that enable it to mitigate the adverse effects of risk. Risk factors that have been determined to be financially material to the company and related to ESG include:

PUBLIC HEALTH CRISIS

A public health crisis or global outbreak of disease, including the pandemic caused by coronavirus disease 2019 (COVID-19) has had, and could continue to have, a negative effect on the company’s manufacturing operations, supply chain and workforce, creating business disruptions that could continue to have a substantial negative impact on the company’s results of operations, financial condition and cash flows.

GLOBAL ECONOMIC CONSIDERATIONS

The company operates in a global, competitive environment, which gives rise to operating- and market-risk exposure.

ENVIRONMENTAL COMPLIANCE

The costs of complying with evolving regulatory requirements could negatively impact the company’s financial results. Actual or alleged violations of environmental laws or permit requirements could result in restriction or prohibitions on plant operations, substantial civil or criminal sanctions, as well as the assessment of strict liability and/or joint and several liability.

HEALTH AND SAFETY

Increased concerns regarding the safe use of chemicals and plastics in commerce and their potential impact on the environment have resulted in more restrictive regulations and could lead to new regulations.

PLASTIC WASTE

Increased concerns regarding plastic waste in the environment, consumers selectively reducing their consumption of plastic products due to recycling concerns, or new or more restrictive regulations and rules related to plastic waste could reduce demand for the company’s plastic products and could negatively impact the company’s financial results.

RAW MATERIALS

Availability of purchased feedstock and energy, and the volatility of these costs, impact Dow’s operating costs and add variability to earnings.

OPERATIONAL EVENT

A significant operational event could negatively impact the company’s results of operations.

CYBER THREAT

The risk of loss of the company’s intellectual property, trade secrets or other sensitive business information, or disruption of operations could negatively impact the company’s financial results.

We use a number of tools to identify and prioritize risks and opportunities, including a sustainability materiality assessment, a stakeholder engagement process and our Enterprise Risk Management process. Risk management is a strategic activity within Dow, and our ability to manage risk creates opportunity as well. Corporate-level identification and management of risk is systematically accomplished using an integrated Enterprise Risk Management approach. A complete statement of risk factors can be found on page 19 of the [2020 Form 10-K](#), filed with the SEC on February 5, 2021.





Assessing Our Material Impacts GRI 102-44, 102-46, 102-47

After completing our separation from DowDuPont in 2019, Dow conducted a comprehensive update to our materiality assessment to determine topics that are material for disclosure based on their impact on economies, the environment, society and our stakeholders. A team of subject matter experts who provided the voice of stakeholders was asked to describe each potential material topic as it relates to Dow's products and activities, including where the impacts occur. Questions included:

- How do Dow's products and activities impact economies?
- How do Dow's products and activities impact the environment?
- How do Dow's products and activities impact society?
- How do Dow's products and activities impact the decisions of our stakeholders?*

Team Representation	Expertise	Stakeholder Voice Represented
Sustainability Directors and Managers	Sustainability context, frequent external engagement on sustainability topics and the impact of Dow and the industry	Employees, customers, suppliers, community/society, regulators, shareholders/investors
VP of Investor Relations	ESG as a driver of investment decisions	Shareholders/investors
Energy and Climate Change Directors and Managers	Energy and climate policy, impact of Dow operations	Suppliers, customers, regulators, community/society
Corporate Reporting Manager	External disclosure requirements, corporate reputation	Regulators, shareholders/investors
Finance Director	Financial impact of Dow's activities	Community/society, shareholders/investors
Enterprise Risk Management Manager	Integrated risk management process	Community, regulators, shareholders/investors
Commercial and Customer Experience Director	How sustainability topics relate to Dow's business unit decisions	Customers
Environmental Directors	Environmental regulations, impacts	Regulators, customers, community/society
2025 Sustainability Goal Team Leaders	Energy and climate policy, impact of Dow operations	Community/society, employees

*Including suppliers, employees, customers, community/society, regulators, shareholders/investors



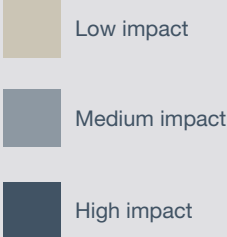
Assessing Our Material Impacts GRI 102-44, 102-46, 102-47

The chart below indicates the scale of impact of Dow’s products and activities on economies, the environment, and society, and the scale of influence on the assessments and decisions of our stakeholders for each of our identified material topics.

For each topic, the scale of impact is indicated as low, medium or high based on input of the materiality assessment team.

Topic

	Impact of Dow’s products and activities on the economy, environment and society			Impact of Dow’s products and activities on the assessments and decisions of our stakeholders					
	Economy	Environment	Society	Suppliers	Employees	Customers	Community/ Society	Regulators	Shareholders/ Investors
Safe chemistry	Low	Medium	Low	Low	Low	High	Medium	Medium	Low
Circular economy	Medium	High	High	Low	Low	Low	Medium	Low	Low
Plastic waste in the environment	Medium	High	High	Low	Medium	Low	Medium	Low	Low
Economic performance	High	Low	Medium	Low	Low	Low	Medium	Low	High
Materials	Low	High	Low	Medium	Low	Low	Low	Low	Low
Energy	Medium	High	Medium	Low	Low	Low	Medium	Low	Low
Water and effluents	Medium	High	Medium	Low	Low	Low	Medium	Low	Low
Biodiversity	Low	Medium	Low	Low	Low	Medium	Medium	Low	Low
Emissions	Medium	High	High	Low	Low	Medium	High	Medium	Low
Effluents and waste	Low	High	Medium	Low	Low	Low	Medium	Medium	Low
Environmental compliance	Low	Medium	Low	Low	Low	Low	Medium	High	Low
Supplier environment assessment	Low	Medium	Low	Medium	Low	High	Low	Low	Low
Employment	Medium	Low	Medium	Low	High	Low	High	Low	Low
Occupational health and safety	Low	Low	Medium	Low	High	Low	Low	Low	Low
Training and education	Low	Low	Low	Low	High	Low	Medium	Low	Low
Diversity and equal opportunity	Low	Low	High	Low	Medium	Low	Medium	Low	Low
Local communities	Medium	Low	Medium	Low	Low	Low	High	Medium	Low
Supplier social assessment	Low	Low	Medium	Medium	Low	High	Low	Low	Low
Customer health and safety	Low	Low	Medium	Low	Low	High	Medium	Medium	Low





Stakeholder Engagement GRI 102-42, 102-43, 102-44

Engaging stakeholders and establishing collaborative partnerships is an essential element of our ESG strategy. By engaging with a wide variety of stakeholders on a regular basis, we build a clearer understanding of complex global challenges and of the local conditions in the countries where we do business. The fundamental principles of Dow’s ongoing engagement strategy are:

- Information sharing and disclosure
- Participating in active dialogue
- Collaborating on issues of mutual interest
- Acting on input provided by stakeholders

Stakeholder Group <small>GRI 102-40</small>	Mechanism and Frequency of Engagement
Customers	Customers are engaged frequently throughout the year through events, meetings, emails, surveys and social media.
Suppliers	Suppliers are engaged frequently throughout the year through calls, emails and surveys.
Employees (and Prospective Employees)	Employees are engaged frequently throughout the year through surveys, emails, internet postings, individual conversations, meetings, training and others. Numerous opportunities are provided for employees at all levels to provide input into ESG practices and strategy.
Community/Society	Communities are engaged regularly through meetings and other communication with groups such as Community Advisory Panels, United Way, Habitat for Humanity, Keep America Beautiful and others. Wider communication with communities is through social media.
Regulators	Regulators are engaged as part of normal operations for Dow teams through meetings, emails and calls. These engagements can be standard sharing of information or more detailed conversations about particular regulatory issues of interest.
Shareholders/Investors	Shareholders and investors are engaged regularly through meetings, conferences and the media. Dow’s Investor Relations function works to deliver relevant information about Dow’s activities and collects information about shareholder and investor ESG priorities and strategies.





Stakeholder Engagement

GRI 102-42, 102-43

CUSTOMER ENGAGEMENT

The Customer Experience surveys are a main source of soliciting insight annually from our customers and distributors. Surveys are sent to any direct customer or distributor contact who has interacted with us over the previous 12 months at any touchpoint along the customer journey. The contact is asked about their overall experience working with Dow during that time. This provides us with the Customer Experience Index (CXi). More interaction-specific questions related to the contact’s specific role are also asked to gain further insights around their online and offline experiences with Dow. In addition to the Customer Experience Survey, Dow teams regularly engage with our customers directly. We reinforced accountability and transparency across the company by adding a CXi component to our Executive Compensation and employee [Performance Award programs](#), recognizing that customers are critical to Dow’s success and every employee has an impact on customer loyalty.

Year-end performance on the CXi score improved from 2019 by 5 points to reach 77, and exceeded the 2020 target on a scale of 1-100.

Methods of Customer Engagement on ESG Topics

How We Engage:	Who Participates:
<ul style="list-style-type: none"> • Dedicated sustainability one-to-one meetings • Supplier Relationship Management (SRM) meetings • Collaboration via external forums (e.g., World Business Council for Sustainable Development) • Written and electronic communications • EcoVadis and similar third-party platforms • On-site ESG audits • Customer events/webinars • Conferences 	<ul style="list-style-type: none"> • Account managers • Corporate subject matter experts • Business sustainability leaders • TS&D • Product Stewardship • Energy group • ES&S • HR • Legal • Site operations • Integrated supply chain (ISC) • Purchasing
Key Engagement Resources:	Key Topics of Engagement:
<ul style="list-style-type: none"> • Dow website • EcoVadis portal • Carbon Disclosure Project (CDP) • Dow ESG Report • Customer Information Group (CIG) portal • Enterprise-level, externally approved slide decks • Conflict minerals reporting template 	<ul style="list-style-type: none"> • Overall strategy and goals, including on ESG • Carbon footprint and life-cycle assessment (LCA) requests • Value chain transparency • Customer-specific questionnaires • On-site audits related to ESG topics (e.g., Sedex Members Ethical Trade Audit 4-pillar audits, TES audits)



Stakeholder Engagement GRI 102-42, 102-43

SHAREHOLDER ENGAGEMENT

Throughout the year, members of the management team and, in some cases, members of the Board, continued extensive outreach to stockholders, engaging with investors who collectively held approximately 75% of outstanding shares of common stock of the company. Through this outreach, the management team updated investors on a range of topics, and also gained an understanding of the perspectives and concerns of each investor. The Board and management team carefully consider the feedback from these meetings, as well as stockholder support for our most recent advisory vote on executive compensation, when reviewing the business, corporate governance and executive compensation profiles.

The company continually evaluates enhancements to our corporate governance, ESG and executive compensation practices, and appreciates engaging key stakeholders - including our stockholders - in the evaluation of these enhancements. For example, as we made the following recent decisions:

- We continued our focus on Board succession planning and refreshment – electing two new directors in 2020 (Jill S. Wyant and Gaurdie Banister Jr.), updating Board qualifications and refreshment guidelines, and proving our approach with a strong and diverse group of directors, including the two directors (Debra L. Dial and Luis Alberto Moreno) elected during the 2021 Annual Meeting of Stockholders.
- We expanded disclosures regarding current Board practices in response to corporate governance trends and best practices such as oversight of risk, leadership structure, director qualifications, service on other public company boards and the self-evaluation process.

Who We Engage:		How We Engage:	Who Participates:
<ul style="list-style-type: none"> • Institutional investors • Sell-side analysts • Retail stockholders • Pension funds • Holders of bonds 	<ul style="list-style-type: none"> • Proxy advisory firms • Rating agencies/firms • Investor coalitions 	<ul style="list-style-type: none"> • One-on-one and group meetings in-person and virtually • Quarterly earnings calls • Industry and sell-side presentations and conferences • Company-hosted events and presentations • Written and electronic communications 	<ul style="list-style-type: none"> • Executive management • Investor Relations • Senior leadership • Subject matter experts • Board of Directors
Key Engagement Resources:		Key Topics of Engagement:	
<ul style="list-style-type: none"> • Dow website (investors.dow.com) • Quarterly earnings • Annual proxy • Annual Meeting • Shine Inclusion Report 	<ul style="list-style-type: none"> • Sustainability Report • Public events and presentations • SEC filings • Disclosures to various ratings assessors 	<ul style="list-style-type: none"> • Overall business strategy • Current business conditions • Financial updates • Business continuity and actions through the pandemic 	<ul style="list-style-type: none"> • Sustainability, corporate citizenship and social impact • Corporate governance practices • Executive compensation



- We demonstrated our commitment to transparency with the external publication of the U.S. EEO-1 Workforce Compliance Report.
- We reinforced our commitment to continuous improvement of ESG reporting and disclosures — by progressing implementation of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations by 2022 and expanding the 2019 Sustainability Report to include disclosure alignment to the Sustainability Accounting Standards Board (SASB).
- We supported ESG accountability across the company by adding ESG metrics in our Executive Compensation and employee [Performance Award programs](#).

REGULATORS

Engagement with regulators in all our geographies of operations throughout 2020 was primarily done via email and virtual calls on a regular basis, including direct exchanges or in conjunction with our trade associations. During 2020, many topics were covered during these interactions. These topics included COVID-19 response, safe return-to-work conditions, social justice, diversity and inclusion, voting rights, trade, climate change and plastics regulations.





EXTERNAL INITIATIVES GRI 102-12

Responsible Care® Management System	Voluntary initiative of the global chemical industry, a requirement of membership in the American Chemistry Council
United Nations Global Compact (UNGC)	Voluntary participant since 2007. Requires commitment to meet fundamental responsibilities and report progress in four areas: human rights, labor, environment and anti-corruption. Caring for Climate Signatory.
Sustainable Packaging Coalition	Founding partner. Helped initiate a store drop-off program for hard-to-recycle plastics.
Task Force on Climate-related Financial Disclosures (TCFD)	Voluntary commitment in 2017 to report according to the TCFD recommendations by 2022. Member of the task force that established original recommendations in 2017 and continued participation in development of additional TCFD guidance.
Trash Free Seas® Alliance (TFSA)	Founding member of this voluntary, by-invitation alliance in 2012. The Alliance unites industry, science and conservation leaders who share a common goal for a healthy ocean free of trash. The Alliance provides a constructive forum focused on identifying opportunities for cross-sector solutions that drive action and foster innovation.
Keep America Beautiful (KAB)	Voluntary corporate partner. Dow leaders are on the Board.
CEO Water Mandate	Voluntary participant since 2008. The CEO Water Mandate mobilizes a critical mass of business leaders to address global water challenges through corporate water stewardship, in partnership with the United Nations, governments, civil society organizations and other stakeholders.
Operation Clean Sweep® (OCS)	Pledged partner in this initiative of the American Chemistry Council designed to prevent and help keep plastic out of the marine environment.
Alliance to End Plastic Waste	Founding member of organization with the goal to develop and scale solutions that manage plastic waste and promote post-use solutions of plastic.
Circulate Capital	Founding investor in effort to incubate and finance companies and infrastructure that prevent waste in oceans.

MEMBERSHIP OF ASSOCIATIONS GRI 102-13

American Institute for Packaging and the Environment (AMERIPEN)
American Center for Life Cycle Assessment (ACLCA)
American Chemistry Council (ACC)
American Coatings Association
American Fuel & Petrochemical Manufacturers
American Petroleum Institute
Business Roundtable
Center for Chemical Process Safety (CCPS)
European Chemistry Industry Council (CEFIC)
Corporate Eco Forum
Environmental Defense Fund
Flexible Packaging Association
Global Silicones Council (GSC)
International Council on Chemical Associations (ICCA)
Louisiana Chemical Association
National Association of Manufacturers
Plastics Europe
Texas Chemical Council
The Nature Conservancy
US Chamber of Commerce
World Business Council for Sustainable Development (WBCSD)
World Economic Forum (WEF)



FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT GRI 201-4

Subsidized by	Program Title	Agency Contribution* (\$MM)
Canadian National	Innovative Transparent Barrier Multi-Layer Sheets from Starch for Food Packaging	0.25
Dutch National	BioXtreme - Anaerobic Wastewater Treatment Under Extreme Conditions	0.34
Dutch National	TKI HZ-UGent Wetland Project	0.06
Dutch National	Constructed Wetland - Pilot Research Wetland - Mild Desalination	0.86
Dutch National	Development of Heat Storage for Industrial Steam	0.49
Dutch National	Compact Modular Thermo Acoustic Heat Pump	0.92
Dutch National	Steel to Chemicals - On the Road to Large-Scale CO ₂ Emission Reduction in a Circular Economy	5.33
Dutch National	Valorization of Post-Consumer Low Density Polyethylene into Higher-End Circular Packaging Material	0.55
Dutch National	Heat-Integrated Distillation Enabling Innovative Ethylene Crackers	0.97
Dutch National	Electrons to Close the Carbon Cycle	1.13
Dutch National	Mechanical Steam Recompression	2.29
Dutch National	Energy-Efficient Affinity-Driven Molecular Separation	0.66
Dutch National	Steam and Condensate Quality Water Process Technology	1.10
Dutch National	Debottlenecking of Chromatographic Separations	0.94
Dutch National	Water Nexus - Securing Water Supply in Delta and Floodplain Areas Worldwide	7.50
European Union	Photoelectrocatalytic Device for Sun-Driven CO ₂ Conversion into Green Chemicals	7.46
European Union	Innovative Approaches Towards Prevention, Removal and Reuse of marine Plastic Litter	6.76
European Union	Advancing Sustainability of Process Industries Through Digital and Circular Water Use Innovations	12.16
European Union	Circular Plastics Network for Training	4.37
European Union	Plastic Waste to Syngas to Chemicals	1.44
European Union	Training of a New Generation of Researchers in Innovative Electrochemical Oxidation Processes for the Removal and Analysis of Micro-Pollutants in Water Streams	4.55
European Union	Planar Optical Micro-Tracking for High-Efficiency Solar Panels	1.44
European Union	Alternative Freshwater Resources for Saline Coastal Areas	2.49
European Union	Impact of Air Pollutants on Cutaneous Responses in Both Healthy and Compromised Skin Barrier, and Innovative Solutions to Protect Skin Against Urban Pollution	0.91
European Union	Lignin Oxidation Technology for Versatile Lignin Dispersants	4.77
European Union	Development and Demonstration of Low-Carbon Technologies to Transform CO ₂ and CO Streams from the Steel Industry into New Value Chains	7.00

*The dollar figure listed is the value of the direct government support for the total program. Several programs have multiple participants receiving assistance. These programs were active in 2020; however, many are multiyear.



FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT, CONT. GRI 201-4

Subsidized by	Program Title	Agency Contribution* (\$MM)
European Union	Integrated Model Guided Process Optimization of Steam Cracking Furnaces	7.57
European Union	Compressed Natural Gas Transport System	13.20
European Union	Advanced Composite Material Selection Platform with a Seamless Integration of Material Models and Multidisciplinary Design Framework	4.26
European Union	Formulations & Computational Engineering	4.32
European Union	Compact Retrofit Advanced Thermal Energy Storage	6.50
UK National	Polyurethane Foam as a Synthetic Growth Media for Hydroponic Horticulture	0.16
US-DOD	Open Architecture Testbed Framework Development	0.15
US-DOD	Digital Twins for Process Manufacturing	0.90
US-DOE	Responsible Innovation for Highly Recyclable Plastics	2.00
US-DOE	Hydrocarbon Gas Foam Enhanced Oil Recovery and Gas Conformance Control in Bakken Formations	8.00
US-DOE	Predictive Modeling of Polyurethane Foam Processes to Optimize Thermal Performance and Reduce Waste	0.30
US-DOE	Efficient Chemicals Production via Chemical Looping	0.87
US-DOE	Optimization Modeling for Advanced Syngas to Olefin Reactive Systems	0.48
US-DOE	An Experimentally Verified Physical Properties Database for Absorbent Selection	0.15
US-DOE	Multiscale Modeling Infrastructure	1.90
US-DOE	Energy-Efficient Separation of Olefins and Paraffins Through a Membrane	0.66
US-DOE	Dynamic Intensification of the Operation of Dividing Wall Column	0.82
US-DOE	Imaging Model Ziegler Natta Catalysts with Single-Atom Sensitivity	0.27
US-DOE	Ambient Pressure X-ray Photoelectron Spectroscopy for in Situ Studies of Heterogeneous Catalysts	0.26
US-NSF	Flow-Driven Segregation at the Particle Level	0.40
US-NSF	Industry/University Compact High-Performance Cooling Technologies Research Consortium	0.42
US-NSF	Advancing Thermal Field-Flow Fractionation for Complex Polymers and Colloids	0.40
US-NSF	Population Balance Modeling - Fundamental Closures and Experimental Validation	0.30
US-NSF	Improved Association-Based Models for Separations in the Bioeconomy	0.37

*The dollar figure listed is the value of the direct government support for the total program. Several programs have multiple participants receiving assistance. These programs were active in 2020; however, many are multiyear.



Ethics and Compliance: Accountability in Action

OUR GOVERNANCE

A Governance Structure Designed to Advance Accountability and Integrity Throughout the Enterprise

While all of us at Dow are held accountable to the highest standards of ethical conduct, setting the tone so that every decision and action is taken with integrity starts at the top of our enterprise.

Dow's Global Ethics and Compliance Committee provides company-wide direction and oversight to ensure that all Dow employees exhibit behavior consistent with our core values and Code of Conduct. The Global Ethics and Compliance Committee consists of the chief financial officer, the chief human resources and inclusion officer, the general counsel, corporate auditor, and the director of the Office of Ethics and Compliance. The Committee meets quarterly to review ethics and compliance related statistics, conduct periodic risk assessments, and to provide direction and support for timely and effective interventions in response to a constantly evolving compliance and risk landscape.

Four regional Ethics and Compliance Committees provide oversight and leadership for ethics and compliance matters in each of Dow's four major geographic regions. The Committees also meet quarterly to review prior quarter substantiated cases, ensure adequacy and consistency of employee discipline, review statistics to evaluate trends, take action in response to changing risk environments, encourage reporting of misconduct by employees and protect reporters and witnesses. The Regional Committees are accountable to the Global Committee and provide regular reports and feedback to ensure transparency and effective oversight over all ethics and compliance matters. All Committee members receive training for their roles on an annual basis.

Committee structure drives enterprise-wide alignment, global consistency, engagement, transparency, and continuous improvement.



Continuous Improvement

- **Implemented Global Ethics and Compliance Committee to provide executive-level oversight of ethics and compliance topics and issues and governance oversight of Regional Ethics and Compliance Committees to ensure global accountability**
- **Streamlined Regional Ethics and Compliance Committees to create clarity around roles and responsibilities, consistency in compliance practices, and stronger collaboration and coordination**
- **Implemented North America Regional Ethics and Compliance Committee to provide consistent compliance oversight in this major geographic region for Dow**



Ethics & Compliance: Values, Principles, Standards and Norms of Behavior GRI 102-16

Integrity is one of our core values at Dow, alongside Respect for People and Protecting Our Planet. These values reflect who we are as a company and how we conduct business. Our people hold themselves and each other responsible for operating ethically and honestly, no exceptions. Our governance practices reflect our commitment to serve all of our stakeholders, cultivate a culture of trust and accountability, and to create a business environment that ensures the long-term viability and vitality of our business.

DOW CODE OF CONDUCT

As the global economy expands and the business environment increases in complexity, the Dow Code of Conduct provides a framework to focus our employees, officers and directors on our values, abide by the law, and be highly principled and socially responsible in all our business practices.

Dow's Code of Conduct (Code) summarizes the ethical principles and policies intended to deter and prevent corrupt activity such as bribery, and ensures that we hold ourselves to high standards. It also provides Dow's position on a wide array of topics, including equal employment opportunity, respect in the workplace, and environment, health and safety. All Dow employees are expected to understand and comply with all company policies and applicable laws. Employees are trained annually on the Dow Code of Conduct to ensure that they understand and abide by its requirements. In addition, in depth training is provided to employees, based on job profile, to provide more comprehensive knowledge on potential risks related to their individual job responsibilities.

We measure our success not only by the results we achieve, but also how we achieve them. Every decision we make and every action we take is driven by the highest sense of business and professional integrity.

The Code was developed by the Office of Ethics and Compliance (OEC) and key stakeholders and approved by Dow's Board of Directors upon the separation of Dow as an independent company on April 1, 2019. The Code is available in 16 languages. Additional information can be found [here](#)⁷.

OFFICE OF ETHICS AND COMPLIANCE

Dow established its OEC in September 1998 to reinforce the company's long-standing commitment to ethical business conduct. The OEC communicates the company's standards, provides guidance on issues related to ethical conduct and has oversight over mechanisms for action. This includes promoting lawful activity everywhere we do business, as well as helping the company to manage risk, maintain a positive reputation and avoid litigation.

The OEC regards the input that it receives from employees as essential to Dow's goal of providing an inclusive workplace. The OEC encourages reporting from all employees whenever they see any behaviors that may violate laws or Dow policy. Dow takes its non-retaliation policy seriously and will protect any reporter or witness who participates in an investigation in good faith.



ACCOUNTABILITY AND TRANSPARENCY GRI 102-16

Accountability and transparency are core components of Dow's overall ethics and compliance program. The OEC regularly monitors Dow's compliance programs and uses these statistics to assess and continuously improve its processes and programs. In addition, the OEC regularly reviews its own performance on matters such as substantiation rates, cycle times, trainings and certifications, and employee engagement and trust. The OEC holds itself to high standards of responsiveness and adherence to compliance policies. Relevant statistics are disclosed to the Global and Regional Ethics and Compliance Committees and the Audit Committee of Dow's Board of Directors on a quarterly basis.

RISK MANAGEMENT

Dow recognizes the potential compliance risks associated with actions, like the use of third-party intermediaries, and has robust due diligence and risk mitigation programs in place. All third-party intermediaries are subject to periodic due diligence reviews based on standardized risk assessments. These due diligence reviews inform strategies, including providing training and oversight, to ensure that all Dow intermediaries are acting in a manner that is consistent with all applicable laws and Dow's Core Values.





Mechanisms for Advice and Concerns about Ethics GRI 102-17

Our employees are expected to behave in a way that protects our business interests, our reputation and each other. This includes taking action to promptly report any conduct inconsistent with our Code of Conduct, our values or the law. The Office of Ethical Conduct (OEC) is responsible for communicating to all stakeholders the mechanisms that are in place to seek advice and report potential misconduct. These options are listed on [Dow's website](#) and intranet page, on the OEC's ethics and compliance training website, and in many other communications. We respect those who raise concerns about potential misconduct, and we do not tolerate retaliation against anyone who reports a potential violation in good faith.

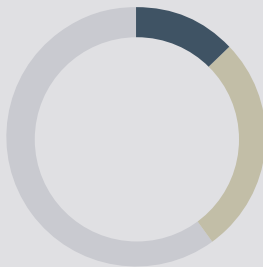
DOW ETHICSLINE

The Dow EthicsLine is a safe, reliable and convenient alternative to report ethical concerns in person (by calling or via online form). It is available globally, with multilingual capabilities, 24 hours a day, seven days a week. The [Dow EthicsLine](#) is operated by NAVEXGlobal, a professional vendor located in Lake Oswego, Oregon. No call tracing or tracking of IP addresses or recording devices are ever used, and in some countries, as allowed by local law, callers may remain anonymous.

OTHER REPORTING OPTIONS

In addition to the Dow EthicsLine, employees may choose to report concerns to their supervisors or other leaders, Dow attorneys, human resources personnel or directly to the OEC. All concerns are evaluated, and all potential Code violations are investigated. Confidentiality is essential in order to maintain the integrity of the investigation; those who participate in good faith are protected from retaliation. Dow's strict policy against retaliation helps ensure that those who raise concerns about improper conduct in good faith or who participate truthfully in an investigation are protected. Reports about alleged violations of the Code or the law are provided quarterly to the Audit Committee of the Dow Board of Directors.

2020 Ethics Reports



- 27%** of matters substantiated
- 13%** of matters unsubstantiated but other issues uncovered
- 60%** unsubstantiated matters or not related to policy violations (e.g., inquiries, unverifiable matters or matters not requiring an investigation)

389
matters reported to OEC

314
warranted an investigation

Types of issues: Conflicts of interest, Environmental Health & Safety, Human Resources, Misuse of Assets and Others. All issues that require corrective action are appropriately addressed.



Conflicts of Interest GRI 102-25

All employees and others working for Dow are expected to avoid personal activities and financial interests that could conflict with their company responsibilities.

CODE OF CONDUCT/CODE OF FINANCIAL ETHICS

The Dow Board adopted a Code of Conduct for all employees, directors and officers and a Code of Financial Ethics on April 1, 2019. (Refer to Ethics & Compliance: Values, Principles, Standards [here](#) and Norms of Behavior and Mechanisms for Advice and Concerns about Ethics [here](#) for additional details.) All Dow directors, officers and employees are expected to be familiar with the Dow Code of Conduct and to apply it in the daily performance of their responsibilities. The Code of Financial Ethics is applicable to the principal executive officer, principal financial officer, principal accounting officer and controller.

CORPORATE GOVERNANCE COMMITTEE

The Governance Committee has responsibility for annually reviewing the relationships between directors, Dow and members of management and recommending to the Board whether each director qualifies as “independent” under the applicable rules of the New York Stock Exchange and the company’s Corporate Governance Guidelines. The process for onboarding new directors also includes an orientation process that provides guidance on how to fulfill their duties as a member of the Dow Board. See [here](#) for more details about director onboarding.

ANNUAL ETHICS AND COMPLIANCE CERTIFICATION

All Dow directors, officers and employees are required to complete an annual ethics and compliance certification, which includes questions concerning potential conflicts of interest. All responses are reviewed by the Office of Ethics & Compliance. When an actual or apparent conflict is disclosed, action is taken to appropriately mitigate risk. In 2020, the certification process was rolled out to global employees during the fourth quarter. Conflicts of interest were reviewed on a case-by-case basis, and investigations were conducted into any alleged conflicts of interest that potentially violated the Code.

Dow employees always can report concerns about potential conflicts of interest directly to the Office of Ethics and Compliance for appropriate action. Dow discloses public company board memberships, supplier/purchaser relationships and related party disclosures in relevant SEC filings, including the Proxy Statement and the Forms 10-K and 10-Q, as appropriate.

In addition to annual Conflict of Interest Certification and robust training for leaders, in 2020, Dow introduced a new electronic Conflict of Interest reporting tool to make it easy for employees to ask questions about potential conflicts.





**APPENDIX: OUR APPROACH TO
ESG REPORTING AND DISCLOSURE**



Reporting and Disclosure: Tracking Our Progress

OUR APPROACH

Dow has a long history of comprehensive reporting on our sustainability performance. From our first report in 2003 to staying up to date on the frameworks that our stakeholders value today, we have aimed to provide transparent disclosures as a tool for engagement with our customers, shareholders, employees and community members.

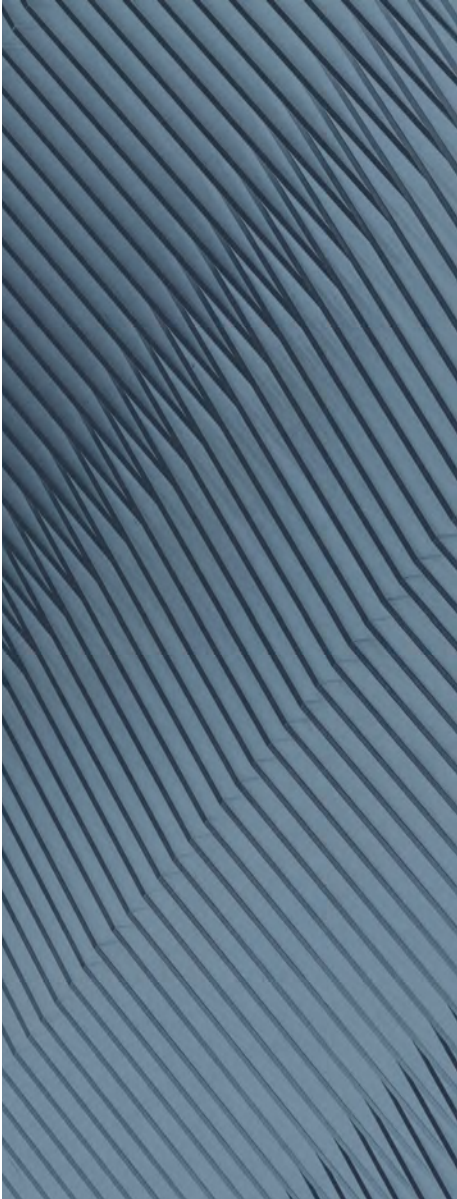
2020 REPORTING AND DISCLOSURES

Our primary framework remains the GRI Standards. We prepared and presented our report in accordance with the GRI Standards Comprehensive option and engaged Deloitte & Touche LLP to perform a review engagement on management’s assertion related to the ESG disclosures referenced or included in the GRI Content Index as of, and for the year ended December 31, 2020. Information outside of the ESG disclosures referenced or included in the GRI Content Index, including linked information, was not subject to Deloitte & Touche LLP’s review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year ended December 31, 2020, or information relating to forward-looking statements, targets, goals and progress against goals, was not subject to Deloitte & Touche LLP’s review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information. Click [here](#) for Deloitte’s review report.

We have referenced our disclosures to the [SASB Standards metrics](#)⁷ for the Chemical Sector.

We have included disclosures on our climate-related performance and strategies in accordance with the recommendations of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)⁷. Dow made our initial commitment in June 2017 to the TCFD and intends to fully adopt the recommendations in next year’s reporting cycle.

We have included [reference to the World Economic Forum’s \(WEF\) Stakeholder Capitalism Metrics](#)⁷. In January 2021, Dow committed, along with other WEF International Business Council (IBC) members, to these metrics and to support initiatives toward consolidation of sustainability reporting standards. Our disclosure this year consists of mapping the core Stakeholder Capitalism Metrics against our existing disclosures.





Analyst Data Summary^{1, 2}

ENVIRONMENTAL				
	UNIT	2018 ³	2019 ⁴	2020
GHG Emissions				
Scope 1 GHG Emissions	millions of metric tons CO ₂ e	28.4	27.2	28.2
Scope 1 GHG Emissions - Adjusted to Solely Reflect Emissions Associated with Manufacture of Materials, Excluding Emissions Associated with the Production of Power and Steam Not Consumed by the Company	millions of metric tons CO ₂ e	23.38	21.79	22.59
Scope 2 GHG Emissions - Market Based	millions of metric tons CO ₂ e	6.66	6.07	6.56
Scope 2 GHG Emissions - Location Based	millions of metric tons CO ₂ e	7.6	5.2	4.9
Scope 1 + Scope 2 GHG Emissions	millions of metric tons CO ₂ e	35.06	33.27	34.76
Scope 1 + Scope 2 GHG Emissions - Adjusted to Solely Reflect Emissions Associated with Manufacture of Materials, Excluding Emissions Associated with the Production of Power and Steam Not Consumed by the Company	millions of metric tons CO ₂ e	30.04	27.86	29.15
GHG Intensity (Emissions/Revenue)	metric tons of CO ₂ e per USD	0.000703	0.000773	0.000901
GHG Intensity (Emissions/Production) Adjusted Emissions⁵	lb of CO ₂ e per lb of production	0.545	0.528	0.554
Scope 3 GHG Emissions - Total				
Category 1: Purchased Goods & Services	millions of metric tons CO ₂ e	42,841,461	60,053,499	38,165,559
Category 2: Capital Goods	millions of metric tons CO ₂ e	2,589,912	2,776,452	1,759,939
Category 3: Fuel & Energy Related Activities	millions of metric tons CO ₂ e	863,304	8,269,874 ⁶	4,745,020
Category 4: Upstream Transportation & Distribution	millions of metric tons CO ₂ e	2,158,260	NA	NA

¹Our disclosures continue to expand, not all data is presented for all years

²Information relating to periods prior to the year-ended December 31, 2020, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information

³Values listed in the analyst summary table not included in the body of this report are as reported in the 2018 Sustainability report unless otherwise noted

⁴Values listed in the analyst summary table not included in the body of this report are as reported in the 2019 Sustainability report unless otherwise noted

⁵Numerator = Scope 1 + Scope 2, adjusted by subtraction of emissions associated with the production of power and steam on our sites sold to 3rd parties or transferred to the grid

⁶Value adjusted to reflect correction of an error since reported in the 2018/2019 Sustainability Report



Analyst Data Summary^{1, 2}

ENVIRONMENTAL				
	UNIT	2018 ³	2019 ⁴	2020
Category 5: Waste Generated in Operations	millions of metric tons CO ₂ e	280,574	1,560,507	1,745,025
Category 6: Business Travel	millions of metric tons CO ₂ e	79,856	31,832	5,085
Category 7: Employee Commuting	millions of metric tons CO ₂ e	215,826	86,849	46,220
Category 8: Upstream Leased Assets	millions of metric tons CO ₂ e	64,748	16,600	16,600
Category 9: Downstream Transportation & Distribution	millions of metric tons CO ₂ e	2,158,260	4,094,062	4,140,650
Category 10: Processing of Sold Products	millions of metric tons CO ₂ e	NA	NA	NA
Category 11: Use of Sold Products	millions of metric tons CO ₂ e	3,237,390	3,184,348	6,442,059
Category 12: End of Life Treatment of Sold Products	millions of metric tons CO ₂ e	10,464,517 ⁶	9,025,782 ⁶	7,268,989
Category 13: Downstream Leased Assets	millions of metric tons CO ₂ e	215,826	NA	NA
Category 14: Franchises	millions of metric tons CO ₂ e	0	NA	NA
Category 15: Investments	millions of metric tons CO ₂ e	3,992,781	4,842,753 ⁶	4,921,485
Other Emissions				
Ozone-Depleting Substances	metric tons as CFC-11e	1.73 [#]	1.51	2.40
Nox	Metric tons	20,024 [#]	18,632 [#]	17,111
SOx	Metric tons	2,728 [#]	2,686 [#]	2,233
VOC	Metric tons	8,824 [#]	7,686 [#]	7,427
Chemicals to Air and Water	Metric tons	14,161 [#]	14,184 [#]	13,697
Priority Compounds to Air and Water	Metric tons	336 [#]	308 [#]	219

¹Our disclosures continue to expand, not all data is presented for all years

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⁶Value adjusted to reflect correction of an error since reported in the 2018/2019 Sustainability Report



Analyst Data Summary^{1, 2}

ENERGY				
	UNIT	2018 ³	2019 ⁴	2020
Energy Intensity	Btu per lb of production	4,625	4,711	4,720
Purchased Natural Gas	Million GJ	344	373	394.4
Offgas from Feedstock	Million GJ	229	261	241.3
Purchased Electricity	Million GJ	120	38.4	37.5
Purchased Steam	Million GJ	28.5	41.1	20.2
Power and Steam Sold	Million GJ	28.0	29.0	47.6
Net Energy Use	Million GJ	693	684	645.8
Purchased Renewable Power Capacity - Total	MW	-	542	844
Wind	MW	-	375	375
Hydro	MW	-	147	147
Biomass	MW	-	17	0
Landfill Gas	MW	-	3	3
Solar	MW	-	0.5	319
Purchased Renewable Power - Consumption - Total	Million GJ	-	8.76	9.45
Wind	Million GJ	-	4.356	4.399
Hydro	Million GJ	-	4.222	4.69
Biomass	Million GJ	-	0.134	0
Landfill Gas	Million GJ	-	0.045	0.046
Solar	Million GJ	-	0.002	0.315
Purchased Renewable Steam - Consumption - Total	Million GJ	-	5.958	2.334
Biomass	Million GJ	-	5.958	2.334
Energy Consumption Outside of the Organization	Million GJ	-	2,173	1,930

¹Our disclosures continue to expand, not all data is presented for all years

²Information relating to periods prior to the year-ended December 31, 2020, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information

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⁴Values listed in the analyst summary table not included in the body of this report are as reported in the 2019 Sustainability report unless otherwise noted



Analyst Data Summary^{1, 2}

WATER				
	UNIT	2018 ³	2019 ⁴	2020
Total Water Intake - All Sites	Millions of metric tons	3,277	3,066 [#]	3,099
Freshwater Withdrawals - All Sites - Total	Millions of metric tons	2,045	2,006	1,963
Purchased Water	Millions of metric tons	-	-	101
Surface Water	Millions of metric tons	-	-	1,826
Groundwater	Millions of metric tons	-	-	35.7
Other	Millions of metric tons	-	-	0
Freshwater Withdrawals - Key Water-Stressed Sites - Total	Millions of metric tons	195	209.2	202.7
Purchased - Groundwater	Millions of metric tons	-	-	0
Purchased - Surface Water	Millions of metric tons	-	-	17.66
Purchased - Produced Water Fresh Water	Millions of metric tons	-	-	0
Purchased - Seawater Fresh Water	Millions of metric tons	-	-	0
Surface Water	Millions of metric tons	-	-	184.7
Groundwater	Millions of metric tons	-	-	0.36
Other - Seawater Fresh Water	Millions of metric tons	-	-	0
Other - Produced Water Fresh Water	Millions of metric tons	-	-	0
Freshwater Intake Intensity, Key Water-Stressed Sites	lb of water per lb of production	9.2	11.33	10.63
Wastewater	Millions of metric tons	131	129	119
Wastewater Intensity	lb of wastewater per lb of production	2.8	2.83	2.62
Total Waste	Millions of metric tons	1.61	1.45	1.39
Hazardous Waste	Millions of metric tons	0.616	0.574	0.667

¹Our disclosures continue to expand, not all data is presented for all years

²Information relating to periods prior to the year-ended December 31, 2020, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information

³Values listed in the analyst summary table not included in the body of this report are as reported in the 2018 Sustainability report unless otherwise noted

⁴Values listed in the analyst summary table not included in the body of this report are as reported in the 2019 Sustainability report unless otherwise noted



Analyst Data Summary^{1, 2}

SOCIAL				
	UNIT	2018 ³	2019 ⁴	2020
Approximate Total Number of Employees		54,000 ⁷	36,500	35,700
Overall Employee Satisfaction	% Favorable	-	69	74
Employee Resource Group Participation	%	26.1 ⁸	42.1 ⁸	48.9
People Leader Participation in Employee Resource Groups	%	62 ⁸	88 ⁸	98
Number of Employee Resource Groups		10 ⁸	10	10
Board Diversity				
% Female	%	30 ⁹	27 ¹⁰	27 ¹¹
% U.S. Ethnic Minority	%	30 ⁹	27 ¹⁰	27 ¹¹
Employee Diversity				
% Female	%	28.1	27.8	28.1
New Employee Hires, % Female	%	36	33 ⁸	34
% U.S. Ethnic Minority Representation	%	22.7 ⁸	24.3 ⁸	25.1
New Employee Hires, % U.S. Ethnic Minority	%	36	39 ⁸	42
Global Female Pay to Male Pay¹²				
- Base Pay	%	-	-	0.98
- Base Pay Plus Short-Term Incentives	%	-	-	0.98
- Base Pay Plus Short- and Long-Term Incentives	%	-	-	0.98
U.S. Minority Pay to Non-Minority Pay¹²				
- Base Pay	%	-	-	0.98
- Base Pay Plus Short-Term Incentives	%	-	-	0.98
- Base Pay Plus Short- and Long-Term Incentives	%	-	-	0.97

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³ Values listed in the analyst summary table not included in the body of this report are as reported in the 2018 Sustainability report unless otherwise noted

⁴ Values listed in the analyst summary table not included in the body of this report are as reported in the 2019 Sustainability report unless otherwise noted

⁷ Value reflects employees of TDCC before the separation from DowDuPont Inc.

⁸ Value was not previously published in 2018 or 2019 Sustainability Reports

⁹ As of April 1, 2019

¹⁰ As of June 1, 2020

¹¹ As of June 1, 2021

¹² Historical pay equity studies compared like for like jobs (equal pay for equal work). In 2020 we transitioned to assessing the pay gap, comparing pay regardless of the work performed



Analyst Data Summary^{1, 2}

SOCIAL				
	UNIT	2018 ³	2019 ⁴	2020
Annual Total Compensation Ratio - CEO Pay to Median Employee Compensation		-	145	141
Base Salary Adjustments for Median Employee, Year on Year	%	-	-	3
CEO Direct Compensation Change, Year on Year	%	-	-	13.6
Average Training Hours per Employee	# of hours	54.3	63.5	62
Percentage of Employees Eligible to Receive Performance Reviews	%	96.3	92.8	95.3
Community				
Funding Disbursement by Category				
Total Charitable Cash and In-Kind Donations	\$ (in MM)	39	34	34

¹ Our disclosures continue to expand, not all data is presented for all years

² Information relating to periods prior to the year-ended December 31, 2020, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information

³ Values listed in the analyst summary table not included in the body of this report are as reported in the 2018 Sustainability report unless otherwise noted

⁴ Values listed in the analyst summary table not included in the body of this report are as reported in the 2019 Sustainability report unless otherwise noted



Analyst Data Summary^{1, 2}

HEALTH & SAFETY			
	2018 ³	2019 ⁴	2020
Number of Global Health Clinics	93	60	58
Manufacturing Sites Participating in External Safety Audits	-	>85%	>85%
Fatalities - Employee	1	0	0
Fatalities - Contractor	1	1	1
Fatalities - Employees and Contractors	2	1	1
High-Consequences Work-Related Injuries Incident Count (excl. Fatalities) - Employee	0	0	0
High-Consequences Work-Related Injuries Incident Count (excl. Fatalities) - Contractor	0	1	1
High-Consequences Work-Related Injuries Incident Count (excl. Fatalities) - Employee and Contractor	0	1	1
High-Consequences Work-Related Injuries Incident Rate (excl. Fatalities) - Employee	0	0	0
High-Consequences Work-Related Injuries Incident Rate (excl. Fatalities) - Contractor	0	0.003	0.003
High-Consequences Work-Related Injuries Incident Rate (excl. Fatalities) - Employee and Contractor	0	0.001	0.001
Recordable Work-Related Injuries Incident Count - Employee	112	68	45
Recordable Work-Related Injuries Incident Count - Contractor	76	59	42
Recordable Work-Related Injuries Incident Count - Combined Employees and Contractors	188	127	87
Recordable Work-Related Injuries Incident Rate - Employee	0.2	0.16	0.11
Recordable Work-Related Injuries Incident Rate - Contractor	0.18	0.16	0.14
Recordable Work-Related Injuries Incident Rate - Combined Employees and Contractors	0.19	0.16	0.12
Total Recordables (Illness) - Employees	3	0	1
Total Recordables (Illness) - Contractors	0	0	1
Total Recordables (Illness) - Employees and Contractors	3	0	2
Number of Significant Process Safety Containment Events	39	27	29

¹Our disclosures continue to expand, not all data is presented for all years

²Information relating to periods prior to the year-ended December 31, 2020, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information

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Alignment to UN Sustainable Development Goals (SDGs)

SDGs that are an Opportunity for Dow to Lead



Dow has the global reach, expertise and connections to drive significant solutions and to lead or make a large impact with the above SDGs. These SDGs align well with the World Business Council for Sustainable Development's chemical sector SDG roadmap.

SDGs that Are an Opportunity to Engage and Contribute



These SDGs are areas where Dow can engage and make positive contributions, but is not positioned to or expected to take the lead. Goal 5 – Gender Equality – is an example. Dow engages through our Inclusion & Diversity efforts and has a strong record of providing equal opportunity to women and minorities.

SDGs that Present Business Opportunities and Risks

BUSINESS OPPORTUNITY



Some goals present a business opportunity or risk, and it is important that our commercial teams understand the sustainable-development-driven changes coming to the markets they serve. In some cases, these changes may lead to product deselection. In others, new and growing markets present opportunities for innovative Dow products to enable sustainable development.

SDGs that Dow Currently Negatively Impacts



A few SDGs represent areas where the current impact of Dow's products or operations could be seen as inconsistent with the achievement of the goal. Our three focus areas of Climate Protection, Circular Economy and Safer Materials are well-aligned to drive measurable reductions in our impacts.

The information included in the Alignment to UN Sustainable Development Goals (SDGs) was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



GRI Content Index GRI 102-55

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards Comprehensive option. This Content Index serves as a navigation tool for the GRI Standard disclosures.

Management of Dow is responsible for the completeness, accuracy and validity of the ESG disclosures referenced or included in the GRI Content Index as of, and for the year ended, December 31, 2020. Management is also responsible for the collection, quantification and presentation of the information included in the 2020 Environmental, Social and Governance Report and for the selection of the criteria, which management believes provide an objective basis for measuring and reporting on the ESG disclosures. Management of Dow asserts that the ESG disclosures referenced or included in the GRI Content Index as of, and for the year ended December 31, 2020, are presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards under its Comprehensive option.

GRI Standard/Disclosure	Page Number(s)/Location	Omission	
Universal Standards			
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the organization	4	None
102-2	Activities, brands, products and services	24-30	None
102-3	Location of headquarters	22	None
102-4	Location of operations	22	None
102-5	Ownership and legal form	21	None
102-6	Markets served	24-30	None
102-7	Scale of the organization	21-23	Confidentiality constraints. In the interest of confidentiality and competitiveness, Dow does not report quantity of products or services provided.
102-8	Information on employees and other workers	122, 127	None
102-9	Supply chain	61, 78-85	None
102-10	Significant changes to the organization and its supply chain	There were no significant changes to the organization or its supply chain in 2020	None
102-11	Precautionary principle or approach	49	None
102-12	External initiatives	170	None
102-13	Membership of associations	170	None
Strategy			
102-14	Statement from key decision-maker	5-6	None
102-15	Key impacts, risks and opportunities	163	None



GRI Content Index

GRI Standard/Disclosure		Page Number(s)/Location	Omission
GRI 102: General Disclosures 2016			
Ethics and Integrity			
102-16	Values, principles, standards and norms of behavior	174-175	None
102-17	Mechanisms for advice and concerns about ethics	176	None
Governance			
102-18	Governance structure	155	None
102-19	Delegating authority	156	None
102-20	Executive-level responsibility for economic, environmental and social topics	156	None
102-21	Consulting stakeholders on economic, environmental and social topics	156	None
102-22	Composition of the highest governance body and its committees	157	None
102-23	Chair of the highest governance body	158	None
102-24	Nominating and selecting the highest governance body	158	None
102-25	Conflicts of interest	177	None
102-26	Role of highest governance body in setting purpose, values and strategy	158	None
102-27	Collective knowledge of highest governance body	159	None
102-28	Evaluating the highest governance body's performance	159	None
102-29	Identifying and managing economic, environmental and social impacts	162	None
102-30	Effectiveness of risk management processes	162	None
102-31	Review of economic, environmental and social topics	160	None
102-32	Highest governance body's role in sustainability reporting	4	None
102-33	Communicating critical concerns	160	None
102-34	Nature and total number of critical concerns	160	None
102-35	Remuneration policies	161	None
102-36	Process for determining remuneration	161	None



GRI Content Index

GRI Standard/Disclosure	Page Number(s)/Location	Omission	
GRI 102: General Disclosures 2016			
Governance			
102-37	Stakeholders' involvement in remuneration	161	
102-38	Annual total compensation ratio	132	Confidentiality constraints. In the interest of confidentiality and competitiveness, Dow does not report ratios based on individual compensation at the country level.
102-39	Percentage increase in annual total compensation ratio	132	Confidentiality constraints. In the interest of confidentiality and competitiveness, Dow does not report ratios based on individual compensation at the country level.
102-40	List of stakeholder groups	166	
102-41	Collective bargaining agreements	Approximately 15% of Dow's workforce was covered by collective bargaining agreements in 2020.	
102-42	Identifying and selecting stakeholders	166-169	
102-43	Approach to stakeholder engagement	166-169	
102-44	Key topics and concerns raised	165, 166-169	
102-45	Entities included in the consolidated financial statements	Consolidated subsidiaries are listed in Exhibit 21 of the Dow Inc. Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 5, 2021. All of these entities are covered by this report.	
102-46	Defining report content and topic boundaries	164-165	
102-47	List of material topics	165	
102-48	Restatements of information	Any restatements of information from prior years' reporting and the reasons for them are included in the footnotes or narrative of the body of the report.	
102-49	Changes in reporting	There have not been any significant changes from previous reporting period in the list of material topics or topic boundaries.	
102-50	Reporting period	4	
102-51	Date of most recent report	4	
102-52	Reporting cycle	4	
102-53	Contact point for questions regarding the report	4	
102-54	Claims of reporting in accordance with the GRI Standards	4	
102-55	GRI content index	188-195	
102-56	External assurance	196	



GRI Content Index

GRI Standard/Disclosure		Page Number(s)/Location	Omission
Topic-Specific Standards			
Economic			
GRI 201: Economic Performance 2016			
GRI 103: Management Approach 2016		23, 101	
201-1	Direct economic value generated and distributed	23	
201-2	Financial implications and other risks and opportunities due to climate change	40-42	Information unavailable. We have not disclosed quantitative financial implications or costs of actions to manage climate risks and opportunities. Complete information is not available as the company is currently updating its climate risk analysis.
201-3	Defined benefit plan obligations and other retirement plans	133	Confidentiality constraints. We have not disclosed percentage of salaries contributed to plan or level of participation in retirement plans. We will assess additional disclosure on a yearly basis.
201-4	Financial assistance received from government	171- 172	Confidentiality constraints. We have not disclosed percentage of salaries contributed to plan or level of participation in retirement plans. We will assess additional disclosure on a yearly basis.
Environmental			
GRI 301: Materials 2016			
GRI 103: Management Approach 2016		62	
301-1	Materials used by weight or volume	62	Information unavailable. Aggregate quantity is impractical due to multiple purchasing arrangements and delivery mechanisms. We will continue to annually assess mechanisms to be able to report this information in the future.
301-2	Recycled input materials used	62	Information unavailable. Our businesses report estimates of recycled raw materials used and fraction of their portfolio of products that are ultimately recycled as part of our Sustainable Chemistry Index Survey process. In 2020, businesses reported small percentages for both questions. These results are not aggregated at the corporate level or reported publicly.
301-3	Reclaimed products and their packaging materials		Information unavailable. Our businesses report estimates of recycled raw materials used and fraction of their portfolio of products that are ultimately recycled as part of our Sustainable Chemistry Index Survey process. In 2020, businesses reported small percentages for both questions. These results are not aggregated at the corporate level or reported publicly.



GRI Content Index

GRI Standard/Disclosure		Page Number(s)/Location	Omission
GRI 302: Energy 2016			
GRI 103: Management Approach 2016		63	
302-1	Energy consumption within the organization	64	
302-2	Energy consumption outside of the organization	64	
302-3	Energy intensity	64	
302-4	Reduction of energy consumption	67	
302-5	Reductions in energy requirements of products and services		Not applicable. Virtually all Dow products do not require energy in use.
GRI 303: Water and Effluents 2018			
GRI 103: Management Approach 2016		69	
303-1	Interactions with water as a shared resource	70	
303-2	Management of water discharge-related impacts	74	
303-3	Water withdrawal	73	
303-4	Water discharge	68, 73, 74	Information unavailable. Disclosed to GRI 306-1 and 306-5 2016 as we transition our reporting capability to the new water disclosure standard. For disclosure of non-compliance with discharge limits, refer to Environmental proceedings listed in Part I, Item 3 of the Dow Inc. Annual Report for the year ended December 31, 2020 filed on Form 10-K with the SEC on February 5, 2021.
303-5	Water consumption		Information unavailable. See page 73 for description of actions we're taking to be capable of reporting in 2022.
GRI 304: Biodiversity 2016			
GRI 103: Management Approach 2016		75	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	75	Information unavailable. See page 75 for description of actions taken in 2020 toward developing additional disclosure capability.
304-2	Significant impacts of activities, products and services on biodiversity	75	Information unavailable. See page 75 for description of actions taken in 2020 toward developing additional disclosure capability.
304-3	Habitats protected or restored	75	Information unavailable. See page 75 for description of actions taken in 2020 toward developing additional disclosure capability.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	75	Information unavailable. See page 75 for description of actions taken in 2020 toward developing additional disclosure capability.



GRI Content Index

GRI Standard/Disclosure		Page Number(s)/Location	Omission
GRI 305: Emissions 2016			
GRI 103: Management Approach 2016		60	
305-1	Direct (Scope 1) GHG emissions	65	
305-2	Energy indirect (Scope 2) GHG emissions	65	
305-3	Other indirect (Scope 3) GHG emissions	66	
305-4	GHG emissions intensity	65	
305-5	Reduction of GHG emissions	67	
305-6	Emissions of ozone-depleting substances (ODS)	68	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	68	
GRI 306: Effluents and Waste 2016			
GRI 103: Management Approach 2016		74, 76, 77	
306-1	Water discharge by quality and destination	See GRI 303-4	
306-2	Waste by type and disposal method	76	
306-3	Significant spills		Information unavailable. Tracking of incidents is by the industry standard definition of PSCE.
306-4	Transport of hazardous waste		Information unavailable. We will be reviewing ways to address this disclosure on a yearly basis as we define the need to capture this information. See page 58 for discussion of our Transportation Safety Index.
306-5	Water bodies affected by water discharges and/or runoff	See GRI 303-4	
GRI 307: Environmental Compliance 2016			
GRI 103: Management Approach 2016		60	
307-1	Non-compliance with environmental laws and regulations	Environmental proceedings are listed in Part I, Item 3 of the Dow Inc. Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on February 5, 2021.	
GRI 308: Supplier Environmental Assessment 2016			
GRI 103: Management Approach 2016		82	
308-1	New suppliers that were screened using environmental criteria	82	
308-2	Negative environmental impacts in the supply chain and actions taken		Information unavailable. Our Sustainable Procurement Strategy described on page 82 will advance end-to-end transparency of impacts of our supply chain.



GRI Content Index

GRI Standard/Disclosure		Page Number(s)/Location	Omission
Social			
GRI 401: Employment 2016			
GRI 103: Management Approach 2016		101	
401-1	New employee hires and employee turnover	125-126	Confidentiality constraints. We disclose the rate, but not number of new employee hires and employee turnover.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	133	
401-3	Parental leave	133	Information unavailable. Consistent quantitative information is not available for all regions. We will continue to annually assess mechanisms to be able to report this information in the future.
GRI 403: Occupational Health and Safety 2018			
GRI 103: Management Approach 2016		87	
403-1	Occupational health and safety management system	87	
403-2	Hazard identification, risk assessment and incident investigation	88	
403-3	Occupational health services	89	
403-4	Worker participation, consultation, and communication on occupational health and safety	90	
403-5	Worker training on occupational health and safety	90	
403-6	Promotion of worker health	92	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Reference the narrative on the safe materials focus area on pages 48-50, for prevention of occupational health and safety impact of our products. Refer to pages 83 and 85 for discussion of transportation stewardship for prevention of safety impact of our transportation operations.	
403-8	Workers covered by an occupational health and safety management system	94	
403-9	Work-related injuries	91	
403-10	Work-related ill health	91	
GRI 404: Training and Education 2016			
GRI 103: Management Approach 2016		128	
404-1	Average hours of training per year per employee	128	Information unavailable. We are unable to produce breakdown of training hours by gender or employee category. We will be reviewing ways to address this disclosure on a yearly basis.
404-2	Programs for upgrading employee skills and transition assistance programs	129	



GRI Content Index

GRI Standard/Disclosure		Page Number(s)/Location	Omission
404-3	Percentage of employees receiving regular performance career development reviews	130	Information unavailable. We are unable to produce breakdown of performance review data by gender or employee category. We will be reviewing ways to address this disclosure on a yearly basis.
GRI 405: Diversity and Equal Opportunity 2016			
GRI 103: Management Approach 2016		122	
405-1	Diversity of governance bodies and employees	123, 124	
405-2	Ratio of basic salary and remuneration of women to men	131	Information unavailable for reporting by employee category or by significant locations of operation. We will review the decision to report this information annually.
GRI 413: Local Communities 2016			
GRI 103: Management Approach 2016		135, 149	
413-1	Operations with local community engagement, impact assessments, and development programs	147-148	
413-2	Operations with significant actual and potential negative impacts on local communities	Reference NOTE 16 – Commitments and Contingent Liabilities, Environmental Matters of the Dow Inc. Annual Report for the year ended December 31, 2020 filed on Form 10-K with the SEC on February 5, 2021.	
GRI 414: Supplier Social Assessment 2016			
GRI 103: Management Approach 2016		82	
414-1	New suppliers that were screened using social criteria		Information unavailable. Our Sustainable Procurement Strategy described on page 82 will advance end-to-end transparency of impacts of our supply chain.
414-2	Negative social impacts in the supply chain and actions taken		Information unavailable. Our Sustainable Procurement Strategy described on page 82 will advance end-to-end transparency of impacts of our supply chain.
GRI 416: Customer Health and Safety 2016			
GRI 103: Management Approach 2016		48-50	
416-1	Assessment of the health and safety impacts of product and service categories	49	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Confidentiality constraints. We monitor internally and results are used to improve our practices and prevent serious events. We will continue to evaluate external disclosure on a year-by-year basis.



Independent Assurance Statement to Dow Inc. GRI 102-56

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Management of Dow Inc. and The Dow Chemical Company Midland, MI

We have reviewed management of Dow Inc.'s and its consolidated subsidiaries, including The Dow Chemical Company (collectively, "Dow" or the "Company") assertion that the ESG disclosures referenced or included in the Global Reporting Initiative ("GRI") Content Index (the "ESG disclosures") included within the accompanying Dow 2020 Environmental, Social and Governance Report (the "2020 ESG Report") as of, and for the year ended December 31, 2020 are presented in accordance with the Global Reporting Initiative Sustainability Reporting Standards under its Comprehensive option (the "GRI Standards – Comprehensive option"). The Company's management is responsible for its assertion. Our responsibility is to express a conclusion on management's assertion based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to management's assertion in order for it to be fairly stated. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. We believe that our review provides a reasonable basis for our conclusion.

In performing our review, we have complied with the independence and other ethical requirements of the Code of Professional Conduct issued by the AICPA. We applied the Statements on Quality Control Standards established by the AICPA and, accordingly, maintain a comprehensive system of quality control.

The procedures we performed were based on our professional judgment. In performing our review, we conducted inquiries and performed analytical procedures, and for a selection of ESG disclosures, performed tests of mathematical accuracy of computations and reviewed supporting documentation in regard to the accuracy of the data in the ESG disclosures.

The preparation of the ESG disclosures in the GRI Content Index included within the 2020 ESG Report requires management to interpret the criteria, make determinations as to the relevancy of information to be included, and make estimates and assumptions that affect reported information. Measurement of certain ESG disclosures includes estimates and assumptions that are subject to inherent measurement uncertainty resulting, for example, from the accuracy and precision of greenhouse gas ("GHG") emission conversion factors and the process to measure energy consumption. Obtaining sufficient, appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the amounts and ESG disclosures. The selection by management of different but acceptable measurement methods, input data, or assumptions may have resulted in materially different amounts or ESG disclosures being reported.

Information outside of the ESG disclosures referenced or included in the GRI Content Index, including linked information, was not subject to our review, including the Alignment to UN Sustainable Development Goals, TCFD Disclosure Index, SASB Standard Disclosures Index, WEF Stakeholder Capitalism Metrics Index, and Non-GAAP Financial Measures and, accordingly, we do not express a conclusion or any form of assurance on such information. Further, any information relating to periods prior to the year-ended December 31, 2020 or information relating to forward looking statements, targets, goals and progress against goals, was not subject to our review and, accordingly, we do not express a conclusion or any form of assurance on such information.

As disclosed in the GRI Content Index related to GRI 305-4, the Company changed the methodology used to calculate the GHG Intensity metric. The methodology for this calculation was applied to the presentation of historical GHG Intensity metrics. Our conclusion is not modified with respect to this matter.

Based on our review, we are not aware of any material modifications that should be made to management of Dow's assertion that the ESG disclosures referenced or included in the GRI Content Index included within the accompanying Dow 2020 ESG Report as of, and for the year ended December 31, 2020 are presented in accordance with the GRI Standards – Comprehensive option, in order for it to be fairly stated.

June 24, 2021





TCFD Disclosure Index

	<p>GOVERNANCE Disclose the organization's governance around climate-related risks and opportunities</p>	<p>Pages 34-42</p>
	<p>Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy and financial planning where such information is material</p>	<p>Page 42</p>
	<p>RISK MANAGEMENT Disclose how the organization identifies, assesses and manages climate-related risks</p>	<p>Pages 40-42, with additional detail provided in the company's CDP climate survey response</p>
	<p>METRICS AND TARGETS Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	
	<p>Climate protection targets</p>	<p>Pages 34-37</p>
	<p>Renewable power purchase targets</p>	<p>Page 63</p>
	<p>Freshwater intake intensity at key water-stressed sites target</p>	<p>Page 73</p>
	<p>% Renewable energy</p>	<p>Page 64, with additional detail provided in the company's CDP climate survey response</p>
	<p>Energy intensity</p>	<p>Page 64</p>
	<p>Water intensity at key water-stressed sites</p>	<p>Page 73</p>
	<p>Total CO₂e emissions (Scope 1 & 2)</p>	<p>Page 65</p>

The disclosures included in the TCFD Disclosure Index were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



SASB Standard Disclosure Index

This index references SASB standard indicators where they may align with disclosures in the report, but does not make any claims of reporting in accordance with the SASB Chemicals Industry Standard.

Topic	Accounting Metric	SASB Indicator	Reference
GHG Emissions			
	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	RT-CH-110a.1	Page 65
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets, and an analysis of performance against those targets	RT-CH-110a.2	Pages 34-42
Air Quality			
	Air emissions of the following pollutants: (1) NO _x (excluding N ₂), (2) SO _x , (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	Page 68
Energy Management			
	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	Page 64
Water Management			
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high- or extremely high-baseline water stress	RT-CH-140a.1	Pages 69-73
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	RT-CH-140a.2	Not reported
	Description of water management risks and discussion of strategies and practices to mitigate those risks	RT-CH-140a.3	Pages 69-72
Hazardous Waste Management			
	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Page 76
Community Relations			
	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	Pages 147-148
Workforce Health & Safety			
	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	RT-CH-320a.1	Page 91
	Description of efforts to assess, monitor and reduce exposure of employees and contract workers to long-term (chronic) health risks	RT-CH-320a.2	Page 88
Product Design for Use-Phase Efficiency			
	Revenue from products designed for use-phase resource efficiency	RT-CH-410a.1	Page 54



SASB Standard Disclosure Index

Topic	Accounting Metric	SASB Indicator	Reference
Safety & Environmental Stewardship of Chemicals			
	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	RT-CH-410b.1	Not reported
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Pages 48-50
Genetically Modified Organisms			
	Percentage of products by revenue that contain genetically modified organisms (GMOs)	RT-CH-410c.1	0%
Management of the Legal & Regulatory Environment			
	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	RT-CH-530a.1	Not reported
Operational Safety, Emergency Preparedness & Response			
	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	RT-CH-540a.1	Page 77
	Number of transport incidents	RT-CH-540a.2	Page 59
Activity Metrics			
	Production by reportable segment	RT-CH-000A	Not reported

The disclosures included in the SASB Standard Disclosure Index were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



WEF Stakeholder Capitalism Metrics Index

This index references WEF Stakeholder Capitalism Core Metrics where they may align with disclosures in the report.

Governance		Reference
Governing Purpose		
Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	Page 7
Quality of Governing Body		
Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	Page 157
Stakeholder Engagement		
Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	Pages 164-165
Ethical Behavior		
Anti-corruption	<ol style="list-style-type: none"> Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region. <ol style="list-style-type: none"> Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and Total number and nature of incidents of corruption confirmed during the current year, related to this year. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. 	Pages 176-177
Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: <ol style="list-style-type: none"> Seeking advice about ethical and lawful behavior and organizational integrity; and Reporting concerns about unethical or unlawful behavior and lack of organizational integrity. 	Page 176
Risk and Opportunity Oversight		
Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.	Pages 162-163
Quality of Governing Body		
Progress against strategic milestones	Disclosure of the material strategic economic, environmental and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	Various metrics throughout the report. Circular Economy targets - page 45 Climate targets - page 65 Inclusion & Diversity KPIs - page 99

The disclosures included in the WEF Stakeholder Capitalism Metrics Index were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



WEF Stakeholder Capitalism Metrics Index

Planet		Reference
Climate Change		
Greenhouse gas (GHG) emissions	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tons of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	Page 65
TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C – and to achieve net-zero emissions before 2050.	Page 197
Nature Loss		
Land use and ecological sensitivity	Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	Not reported
Freshwater Availability		
Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	Page 73 Value chain water metrics not reported

The disclosures included in the WEF Stakeholder Capitalism Metrics Index were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



WEF Stakeholder Capitalism Metrics Index

People		Reference
Dignity and Equality		
Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	Pages 123-124
Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups and other relevant equality areas.	Partial disclosure, 131
Wage level (%)	Ratios of standard entry-level wage by gender compared to local minimum wage. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	Partial disclosure, page 132
Risk for incidents of child, forced or compulsory labor	An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced or compulsory labor. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	Not reported
Health and Well-Being		
Health and safety (%)	The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	Page 91
Skills for the Future		
Training provided (#, \$)	Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	Partial disclosure, page 128

The disclosures included in the WEF Stakeholder Capitalism Metrics Index were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



WEF Stakeholder Capitalism Metrics Index

Prosperity		Reference
Employment and Wealth Generation		
Absolute number and rate of employment	<ol style="list-style-type: none"> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age 	Pages 125-126
Economic contribution	<ol style="list-style-type: none"> Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ul style="list-style-type: none"> – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period. 	Page 23
Financial investment contribution	<ol style="list-style-type: none"> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	Not reported
Innovation of Better Products and Services		
Total R&D expenses (\$)	Total costs related to research and development.	Not reported
Community and Social Vitality		
Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	Page 23

The disclosures included in the WEF Stakeholder Capitalism Metrics Index were not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.



Non-GAAP Financial Measures

Non-GAAP Reconciliations

Reconciliation of "Income (loss) from continuing operations, net of tax" to Operating EBIT and Operating EBITDA	Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019 ¹
<i>In millions (Unaudited)</i>		
Income (loss) from continuing operations, net of tax	\$1,294	(\$ 1,717)
+Provision for income taxes on continuing operations	\$777	\$470
Income (loss) from continuing operations before income taxes	\$2,071	(\$ 1,247)
-Interest income	38	81
+Interest expense and amortization of debt discount	827	933
+ Pro forma adjustments ²	-	65
-Significant items ³	145	(4,682)
Operating EBIT (non-GAAP)	\$2,715	\$4,352
+Depreciation and amortization	2,874	2,938
Operating EBITDA (non-GAAP)	\$5,589	\$7,290

¹Operating EBIT, depreciation and amortization and Operating EBITDA for the year ended December 31, 2019 are presented on a pro forma basis.

²Pro forma adjustments include: (1) the margin impact of various manufacturing, supply and service related agreements entered into with DuPont and Corteva in connection with the separation which provide for different pricing than the historical intercompany and intracompany pricing practices of TDCC and Historical DuPont (included for 2019 and 2018 only), (2) the removal of the amortization of ECP's inventory step-up recognized in connection with the Merger and (3) the elimination of the impact of events directly attributable to the Merger, internal reorganization and business realignment, separation, distribution and other related transactions (e.g., one-time transaction costs).

³The year ended December 31, 2020 includes integration and separation costs, restructuring and asset related charges - net, a gain on a warranty accrual adjustment of an exited business, restructuring implementation costs, a net gain on divestitures and asset sale, a gain related to a legal matter with Nova, a loss on early extinguishment of debt and a loss associated with agreements entered into with DuPont and Corteva as part of the separation and distribution. The year ended December 31, 2019 includes integration and separation costs, restructuring, goodwill impairment and asset related charges - net, a gain on a warranty accrual adjustment of an exited business, environmental charges, a loss related to previous divestitures, a loss on early extinguishment of debt, a net gain related to litigation matters and a loss associated with agreements entered into with DuPont and Corteva as part of the separation and distribution.

Definitions

Operating EBIT is defined as earnings (i.e. "Income (loss) from continuing operations before taxes") before interest, excluding the impact of significant items. Pro forma operating EBIT is defined as earnings (i.e., "Income (loss) from continuing operations before income taxes") before interest, plus pro forma adjustments, excluding the impact of significant items.

Operating EBITDA is defined as earnings (i.e. "Income (loss) from continuing operations before taxes") before interest, depreciation and amortization, excluding the impact of significant items. Pro forma operating EBITDA is defined as earnings (i.e., "Income (loss) from continuing operations before income taxes") before interest, depreciation and amortization, plus pro forma adjustments, excluding the impact of significant items.

Cash Flow conversion is defined as "Cash provided by (used for) operating activities - continuing operations" divided by Operating EBITDA.

Free cash flow is defined as "Cash provided by operating activities - continuing operations", less capital expenditures.

Net debt is defined as "Total gross debt" minus "Cash and cash equivalents" and "Marketable securities."

Any information relating to Non-GAAP Financial Measures, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

Reconciliation of Cash Flow Conversion (Operating EBITDA to Cash Flow from Operations)	Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019
<i>In millions</i>	As Reported	Pro Forma
Cash provided by operating activities - continuing operations (GAAP)	\$6,252	\$5,713
Operating EBITDA (non-GAAP)	\$5,589	\$7,290
Cash flow conversion (non-GAAP)	111.9%	78.4%

Reconciliation of Non-GAAP Cash Flow Measures	Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019
<i>In millions</i>		
Cash provided by operating activities - continuing operations (GAAP)	\$6,252	\$5,713
Capital expenditures	(1,252)	(1,961)
Free cash flow (non-GAAP)	\$5,000	\$3,752

Reconciliation of Net Debt	Twelve Months Ended	
	Dec 31, 2020	Dec 31, 2019
<i>In millions (Unaudited)</i>		
Notes payable	\$156	\$586
Long-term debt due within one year	460	435
Long-term debt	16,491	15,975
Gross debt (GAAP)	\$17,107	\$16,996
- Cash and cash equivalents	5,104	2,367
- Marketable securities	45	21
Net debt (non-GAAP)	\$11,958	\$14,608





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Cautionary Statement about Forward-Looking Statements

Certain statements in this report are “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements often address expected future business and financial performance, financial condition, and other matters, and often contain words or phrases such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “opportunity,” “outlook,” “plan,” “project,” “seek,” “should,” “strategy,” “target,” “will,” “will be,” “will continue,” “will likely result,” “would” and similar expressions, and variations or negatives of these words or phrases.

Forward-looking statements are based on current assumptions and expectations of future events that are subject to risks, uncertainties and other factors that are beyond Dow’s control, which may cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements and speak only as of the date the statements were made. These factors include, but are not limited to: sales of Dow’s products; Dow’s expenses, future revenues and profitability; the continuing global and regional economic impacts of the coronavirus disease 2019 (“COVID-19”) pandemic and other public health-related risks and events on Dow’s business; capital requirements and need for and availability of financing; size of the markets for Dow’s products and services and ability to compete in such markets; failure to develop and market new products and optimally manage product life cycles; the rate and degree of market acceptance of Dow’s products; significant litigation and environmental matters and related contingencies and unexpected expenses; the success of competing technologies that are or may become available; the ability to protect Dow’s intellectual property in the United States and abroad; developments related to contemplated restructuring activities and proposed divestitures or acquisitions such as workforce reduction, manufacturing facility and/or asset closure and related exit and disposal activities, and the benefits and costs associated with each of the foregoing; fluctuations in energy and raw material prices; management of process safety and product stewardship; changes in relationships with Dow’s significant customers and suppliers; changes in consumer preferences and demand; changes in laws and regulations, political conditions or industry development; global economic and capital markets conditions, such as inflation, market uncertainty, interest and currency exchange rates, and equity and commodity prices; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war; weather events and natural disasters; and disruptions in Dow’s information technology networks and systems.

Risks related to Dow’s separation from DowDuPont Inc. include, but are not limited to: (i) Dow’s inability to achieve some or all of the benefits that it expects to receive from the separation from DowDuPont Inc.; (ii) certain tax risks associated with the separation; (iii) the failure of Dow’s pro forma financial information to be a reliable indicator of Dow’s future results; (iv) non-compete restrictions under the separation agreement; (v) receipt of less favorable terms in the commercial agreements Dow entered into with DuPont de Nemours, Inc. (“DuPont”) and Corteva, Inc. (“Corteva”), including restrictions under intellectual property cross-license agreements, than Dow would have received from an unaffiliated third party; and (vi) Dow’s obligation to indemnify DuPont and/or Corteva for certain liabilities.

Where, in any forward-looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. A detailed discussion of principal risks and uncertainties which may cause actual results and events to differ materially from such forward-looking statements is included in the section titled “Risk Factors” contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 and its subsequent reports on Form 10-Q and Form 8-K. These are not the only risks and uncertainties that Dow faces. There may be other risks and uncertainties that Dow is unable to identify at this time or that Dow does not currently expect to have a material impact on its business. If any of those risks or uncertainties develops into an actual event, it could have a material adverse effect on Dow’s business. Dow assumes no obligation to update or revise publicly any forward-looking statements whether because of new information, future events, or otherwise, except as required by securities and other applicable laws.