

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Dow combines global breadth, asset integration and scale, focused innovation and leading business positions to achieve profitable growth. The Company's ambition is to become the most innovative, customer centric, inclusive and sustainable materials science company, with a purpose to deliver a sustainable future for the world through our materials science expertise and collaboration with our partners. Dow's portfolio of plastics, industrial intermediates, coatings and silicones businesses delivers a broad range of differentiated science-based products and solutions for its customers in high-growth market segments, such as packaging, infrastructure, mobility and consumer care. Dow operates 106 manufacturing sites in 31 countries and employs approximately 35,700 people. Dow delivered sales of approximately \$39 billion in 2020.

This report is a combined report being submitted by Dow Inc. and The Dow Chemical Company and its consolidated subsidiaries ("TDCC" and together with Dow Inc, "Dow" or the "Company")

Dow's major manufacturing sites are located in Argentina, Brazil, Canada, China, Germany, The Netherlands, Spain, Thailand, United Kingdom, and the United States. Our portfolio includes six global businesses which are organized into the following operating segments: Packaging & Specialty Plastics (Hydrocarbons & Energy and Packaging and Specialty Plastics), Industrial Intermediates & Infrastructure (Industrial Solutions and Polyurethanes & Construction Chemicals), and Performance Materials & Coatings (Coatings & Performance Monomers and Consumer Solutions).

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2020	December 31 2020

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Production Processing Trading	<Not Applicable>
Palm oil	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Cattle products	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Soy	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Coffee	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Supply chain	Specific product line(s)	We are not considering the cellulosic portfolio as part of this disclosure due to the small representation on Dow's overall sales and volume consumption	Potential for forests-related risk but not evaluated	The cellulose global sales represented only 0.1% of Dow's total sales in 2020

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

- Growing/production of raw materials
- Harvesting
- Refining & processing
- Using as input into product manufacturing
- Buying manufactured products

Form of commodity

- Softwood logs
- Sawn timber, veneer, chips
- Wood-based bioenergy
- Other, please specify (Charcoal)

Source

- Owned/managed land
- Smallholders
- Multiple contracted producers
- Contracted suppliers (processors)

Country/Area of origin

- Brazil
- United States of America

% of procurement spend

<1%

Comment

The United States Operation was idled in 2020, there was operation on it just until March of 2020. The operation in Brazil operated all year around.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	11-20%	This represents 2020 Global Silicones Sales, part of Dow Consumer Solutions. Consumer Solutions consists of three businesses: Performance Silicones, Home & Personal Care and Silicone Feedstocks & Intermediates. Performance Silicones offers a portfolio of innovative, versatile silicone-based technology to provide ingredients and solutions to customers for addressing megatrends, including globalization, urbanization, sustainability and digitalization. The business serves customers in several global markets with strong growth opportunities, including: building and infrastructure; consumer and electronics; industrial and chemical processing; and mobility and transportation. Dow's wide array of silicone-based products and solutions enables customers to: increase the appeal of their products; extend shelf life; improve performance of products under a wider range of conditions; and provide a more sustainable offering. The Home & Personal Care business collaborates closely with global and regional brand owners to deliver innovative solutions, leveraging acrylics, cellulose and silicone technology platforms for creating new and unrivaled consumer benefits and experiences in cleaning, laundry and skin and hair care applications, among others. Silicone Feedstocks & Intermediates provides standalone silicone materials that are used as intermediates in a wide range of applications including adhesion promoters, coupling agents, crosslinking agents, dispersing agents and surface modifiers. Hydrochloric acid, methanol, platinum, silica and silicon metal are the key raw materials for Consumer Solutions.
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.3

(F1.3) Provide details on the land area you control and/or manage that is used for the production of your disclosed commodity(ies).

Forest risk commodity

Timber products

Type of control

Own land

Country/Area

Brazil

Land type

<Not Applicable>

Area (Hectares)

54990

% Area certified

83

Certification scheme

FSC Forest Management certification

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

Our portfolio includes six global businesses that are organized into the following operating segments: -Packaging & Specialty Plastics: Hydrocarbons & Energy and Packaging and Specialty Plastics -Industrial Intermediates & Infrastructure: Industrial Solutions and Polyurethanes & Construction Chemicals -Performance Materials & Coatings: Coatings & Performance Monomers and Consumer Solutions Consumer Solutions consists of three businesses: Performance Silicones, Home & Personal Care and Silicone Feedstocks & Intermediates. Timber products support the Natural Resources and Silicon Metal operations as part of the Feedstocks & Intermediates business. Silicon metal produced in our captive sites in Brazil and the United States consume quartz, charcoal, coal, and woodchips as inputs. A portion of these is purchased in the market and a portion is produced in our Natural Resources Operation in Brazil. Dow owned land as part of our Natural Resources Operation is located in Minas Gerais and Pará states in Brazil. Our farm in Pará, where we have the charcoal operation, is FSC certified. In Minas Gerais, we have Eucalyptus plantation on smaller size farms and at this moment do not have FSC certification. The Minas Gerais farms in operation at this moment are used for woodchips. We did not convert any natural ecosystems on any of our farms.

Forest risk commodity

Timber products

Type of control

Outgrowers

Country/Area

Brazil

Land type

<Not Applicable>

Area (Hectares)

16595.15

% Area certified

0

Certification scheme

No certified area in this country/area

Conversion of natural ecosystems during the reporting year

No

Area converted during the reporting year (hectares)

<Not Applicable>

% covered by natural forests

<Not Applicable>

Please explain

As part of the ownership restructure of Dow Corning Corporation in 2016, Dow acquired the "Fomentos" contracts in Minas Gerais state in Brazil. In 2018 we worked on a detail risk assessment and in 2019 we structured a reformulated compliance program. We have a technical team as part of our Natural resources structure that visits periodically the farmers to guide them on best technical practices and also conduct compliance audits. We have a compliance program leader that tracks the actions and check list audits. We also have been reducing the number of small farm contracts. By 2023 we will be able to have 70% of our charcoal used in Brazil coming from FSC certified wood. There was no conversion of natural ecosystems on any of the farms to supply to Dow.

F1.4

(F1.4) Provide details on the land you control and/or manage that was not used for the production of your disclosed commodity(ies) in the reporting year.

Forest risk commodity

Timber products

Country/Area

Brazil

Type of control

Own land

Land type

Set-aside land

Area (hectares)

40324

% covered by natural forests

100

Please explain

Our Pará farms has 84% of Native forest that is also protected according to the state law, this represents a total area of 37,043 hectares. For Minas Gerais we have 3281 hectares of Native forest on our owned farms

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption and production data available, disclosing
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Production data

Volume

65349

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

Forest risk commodity

Timber products

Data type

Consumption data

Volume

223584.98

Metric

Metric tons

Data coverage

Full commodity production/consumption

Please explain

<Not Applicable>

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Minas Gerais and Para)

% of total production/consumption volume

90

Please explain

We have two silicon metal operations in Brazil and one operation in United States that uses charcoal and woodchips in different proportions. The operation in U.S. was idled in March 2020. The operations located in Brazil (in Cabangu- Minas Gerais and Breu Branco-Pará) accounted for 90% of total charcoal and woodchips used in 2020.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

10

Please explain

We have a Silicon Metal operation in United States that was idled in March 2020 and accounted for 10% of total Charcoal and woodchips consumption in 2020

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

No

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Direct operations
Supply chain
Other parts of the value chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
National specific tools and databases

Please explain

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. Dow uses a comprehensive, integrated operating discipline management system that includes policies, requirements, processes, best practices and procedures associated with Environment, Health and Safety, as well as Quality, Operations and related external standards. Within this system, we lay the foundational expectations of hazard assessment and risk mitigation, aligned to Responsible Care®. At the highest level, we expect each organization within Dow to implement and use Health and Safety Programs to: • Identify, assess, and eliminate or mitigate hazards • Prevent unsafe acts and conditions • Maintain and improve the health of personnel • Foster communication on health and safety issues For forest specifically, a risk matrix is in place based on a 2014 external assessment (commissioned by then-owner Dow Corning Corporation) of the reputational risks of feedstocks operations. Since then the risk matrix has been updated and numerous actions were taken to address it such as increasing FSC certifications, supplier's improvement programs and audit program implementation. In 2017 an external company with forestry expertise was hired to assess detailed operational risks of the Minas Gerais value chain. As a result, we built an even more robust audit program and technical team in 2019. For approval of new suppliers, we have a check list of documents regulated by purchasing team. Suppliers are then audited by our natural resources technical team. This audit process is based on a check list and monthly field visits. Docs related to the use of timber such as land regulation (Certificado de Cadastro de Imóvel Rural-CCIR, Cadastro Ambiental Rural-CAR and Licença Ambiental Rural-LAR) and cutting declaration (Declaração de Corte de Floresta-DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará) are reviewed. In 2020 we hired 2 external companies for global and regional mapping of NGOs that work with forest related projects.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

We work on a 10 year time frame analysis to define the eucalyptus cycle plantation (7 years) of our farms, long term contracts and business models to guarantee availability and competitiveness of timber products supply (woodchips and charcoal) to the Silicon Metal operations we have. We evaluate eucalyptus plantation investments done by the market (IBÁ report: pulp and paper industry, independent owners, charcoal-fired steel industry, financial investors, companies in the wood panel and laminate flooring and others) and the timber consumption market trends (Fastmarkets RISI and other reports for: pulp and paper; industrial firewood; charcoal-fired steel/pig iron; panels; lumber; treated wood and others).Based on the availability and price assumptions we define the supply matrix 10 year plan.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Charcoal and wood chips must be produced according to the best practices to ensure that these raw materials are in compliance with quality parameters. In this way, we guarantee the optimization of wood to charcoal and chip conversions. Incorrect practices of charcoal and wood chips production result in high consumption of wood, low productivity and undesirable qualitative characteristics of the product, which can increase the consumption of these materials in the factory and also negatively interfere with the quality of the produced silicon.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

According to the 2019-2020 World Economic Forum Global Risks Perception Survey, climate-related issues dominated the top-five long-term risks in terms of likelihood. Biodiversity loss is the 4th largest risk in terms of likelihood. The biodiversity and ecosystem impact mitigation was one of the points that made the Company decide to increase and continue increasing the FSC certification from our suppliers and for our farms. It is also part of the reason we have the audit program, to make sure that our suppliers are not deforesting native areas or supplying illegal wood from reserve areas and impacting negatively the biodiversity from the biomes of Mata Antlântica and Amazônia. Aligned with Dow's Valuing Nature pillar of our 2025 sustainability targets: By 2025, Dow will deliver \$1 billion in NPV through business-driven projects that enhance nature. The ESII tool, developed with The Nature Conservancy and Ecometrix Solutions Group, assesses ecosystem services rapidly and cost-effectively in order to identify and incorporate the value of nature into business decision-making. In 2020 we implemented a project to measure , with this tool, the biodiversity of the Pará native area (the biggest portion and most biodiversity abundant ecosystem we have as part of our operations). Also, biodiversity is identified as a material topic for disclosure in our annual GRI reporting..

Regulation

Relevance & inclusion

Relevant, always included

Please explain

Dow is attentive throughout the process regarding the regulation of partners and own rural properties, adopting a checklist of suppliers for the purchase of charcoal and market chips and analyzing the certification and registration documentation with regulatory bodies, such as INCRA and the Secretaria da Fazenda. As well as annually meeting all regulatory requirements for its own areas, updating the property's registration, georeferencing, and data with these same bodies, when necessary.

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 restrictions or prohibitions on plant operations, substantial civil or criminal sanctions, as well as the assessment of strict liability and/or joint and several liability. The Company is subject to extensive federal, state, local and foreign laws, regulations, rules and ordinances relating to pollution, protection of the environment, climate change, greenhouse gas emissions, and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. In addition, the Company may have costs related to environmental remediation and restoration obligations associated with past and current sites as well as related to its past or current waste disposal practices or other hazardous materials handling. Although management will estimate and accrue liabilities for these obligations, it is reasonably possible that the Company's ultimate cost with respect to these matters could be significantly higher, which could negatively impact the Company's financial condition and results of operations. Costs and capital expenditures relating to environmental, health or safety matters are subject to evolving regulatory requirements and depend on the timing of the promulgation and enforcement of specific standards which impose the requirements. Moreover, changes in environmental regulations could inhibit or interrupt the Company's operations or require modifications to its facilities. Accordingly, environmental, health or safety regulatory matters could result in significant unanticipated costs or liabilities.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

In order to evaluate risks and opportunities associated with climate change, we have analyzed various climate change scenarios. Four boundary scenarios have been considered in evaluating the impacts of climate change and the impacts to Dow. The potential implications of our climate-related issues on a regulatory front include but are not limited to an increased cost of purchased energy, additional capital costs for installation of GHG-emitting equipment, and direct costs associated with GHG emissions. We proactively incorporate a carbon price into our business planning and risk management strategies, even in jurisdictions without existing carbon legislation. We also have a dedicated commercial group to handle energy contracts and purchases, including managing emissions. Addressing climate change is one of the major challenges to achieving a sustainable future and it is part of our strategy and risk assessment. As both a major user of energy and a producer of technologies that are essential to a lower-carbon economy, we have a responsibility to act. Within our own operations, we are optimizing efficiency, investing in renewable energy sources and innovating new low-emission production processes. We also are collaborating with our customers to produce products that contribute to a lower carbon footprint. We aspire to become carbon neutral by 2050. In the past 15 years, we have reduced our overall GHG emissions by 15%. In 2019, our greenhouse gas intensity was down approximately 3% from 2018 and by a total of approximately 13% since the baseline year of 2006. 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.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

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. 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. The Company has identified six of our manufacturing sites as key water-stressed sites. These sites are designated based on a number of factors, including their location in a water-stressed watershed, water quality, competition among users of the same watershed, local experience at the site and long-term projections. Because water supply issues are evolving and not isolated to key water-stressed sites, Dow also keeps track of sites that are under a "watch list" where water challenges may occur. The sites where we have our Natural Resources Operations are not part of those water-stressed sites.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

As mentioned before, we work on a 10 year time frame analyses to define the eucalyptus cycle plantation (7 years) of our farms, long term contracts and business models to guarantee availability and competitiveness of timber products supply (woodchips and charcoal) to the Silicon Metal operations we have. We evaluate eucalyptus plantation investments done by the market (IBÁ report: pulp and paper industry, independent owners, charcoal-fired steel industry, financial investors, companies in the wood panel and laminate flooring and others) and the timber consumption market trends (RISI) and others reports for: pulp and paper; industrial firewood; charcoal-fired steel/pig Iron; panels; lumber; treated wood and others).Based on the availability and price assumptions we define the supply matrix 10 year plan.

Loss of markets

Relevance & inclusion

Relevant, always included

Please explain

We do not sell timber products to the market; all silicon metal production is consumed internally and aligned with our strategy to integrate the silicon supply chain for the Silicones business. We are not 100% back integrated and silicones normal demand variations do not impact directly our operations that depend on forest. Also, not all silicon metal used by our basic plants depend on charcoal. We do consider the market loss on finishing products due to any reputational impact.

Leakage markets

Relevance & inclusion

Relevant, always included

Please explain

In order to ensure that the timber commodities are in compliance with local legislation and have traceability of the sources, on our sites on Pará and Minas Gerais an audit process is in place. The audit process is based on monthly document and in loco verification that reviews the suppliers according to our check list aligned with environmental and labor legislation of Brazil. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará). For the approval of new suppliers we have a check list of documents asked by purchasing team. If approved, the suppliers are then audited in loco by our natural resources technical team. 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.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

A risk matrix is in place based on a 2014 external assessment (commissioned by then-owner Dow Corning Corporation) of the reputational risks of feedstocks operations. Since then the risk matrix has been updated and numerous actions were taken to address it such as increasing FSC certifications, supplier's improvement programs and audit program implementation. In 2017 an external company with forestry expertise was hired to access in detail the operational risks of the Minas Gerais value chain and based on that we built a more robust audit program and technical team in 2019. The current supply chain in Minas is more complex due to the Fomentos, in Pará we have a more consolidated base of suppliers. The reputational risk matrix measures the risks based on Probability and Impact and we consider risks related to our Operations, Supply Chain, Local Communities among others. In order to avoid any reputational risk and ensure that the timber commodities are in compliance with local legislation, on our sites on Pará and Minas Gerais an audit process is in place. The audit process is based on monthly document and in loco verification that reviews the suppliers according to our check list that considers requirements beyond local legislation of Brazil. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará).

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Dow's Code of Conduct (Code) summarizes the ethical principles and policies intended to deter and prevent corrupt activity such as bribery, and models appropriate ethical conduct. 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, and must certify compliance with the Code annually. 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. Office of Ethics and Compliance (OEC): 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. 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 will not tolerate retaliation against anyone who reports a potential violation in good faith. In addition to the Code, the Dow Code of Business Conduct for Suppliers sets forth basic principles for supplier conduct, including related to ethics & legal requirements. <https://corporate.dow.com/en-us/about/legal/conduct/business.html>
<https://corporate.dow.com/en-us/about/suppliers/info/expectations.html>

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

Through social investments, shared purpose and meaningful engagement, we are collaborating across the globe to build more sustainable and resilient communities where we live and work. Aligned to Dow's ambition and fueled by volunteer service, our global citizenship strategy seeks to apply our innovative technology, employee expertise and culture of inclusion to generate transformational social impact. We believe that sustainable business creates positive social change. By combining Dow products, technology and expertise with social impact, we create value for both business and society. DOW SUPPORTED ITS COMMUNITIES ACROSS THE WORLD IN 2020, with \$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 and \$1.6MM in product donations to provide PPE, sanitizer, and safety and education support, among others. The Company's initiatives relative to chemical security, emergency preparedness and response, Community Awareness and Emergency Responses and crisis management are implemented consistently at all Dow sites on a global basis. The Company participates with chemical associations globally and participates as an active member of the U.S. delegation to the G7 Global Partnership Sub-Working Group on Chemical Security.

Other, please specify

Relevance & inclusion

Relevant, always included

Please explain

Supply Chain: Sustainability is one of the four key tenants of our Integrated supply chain strategy and is a guiding factor in driving improvements throughout our global value chain. It guides how we source raw materials, manage the storage and transportation of our intermediates and products, and select, engage and manage our supplier partnerships. With operations across the globe, supply chain sustainability is critical to our success and core to our customer experience. We continue to put our supply chain strategy into action by driving forward our Green Transportation Strategy, executing our Transportation Stewardship Program, and advancing digitalization. We also recognize the importance of collaboration for long-term success and have further enhanced our already deep-rooted relationships with our logistics service providers, suppliers and customers by proactively identifying opportunities for sustainability-related supply chain projects and initiatives. Our supply chain success depends on partnerships throughout our end-to-end value chain with all of our stakeholders, from suppliers and logistics service providers to customers. By engaging in collaborations, we can drive sustainable business practices while improving supply chain capability and transparency through opportunities for sustainability-related supply chain projects and initiatives. 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 2019 by implementing several initiatives that support our commitment to strengthen transportation safety to reduce risk to people and the planet. Dow has approximately 38,000 suppliers in its supply chain and in approximately 100 countries, with a purchased managed spend of approximately \$20 billion. Our Procurement organization manages supplier relations, and we have Procurement Centers across the world to help establish effective relationships with global and local suppliers of goods and services. We work with our suppliers to pursue the principles of sustainability through Responsible Care®.

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

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. Customers are engaged frequently throughout the year through events, meetings, emails, surveys and social media. Dow's commercial and sustainability functions work together to provide appropriate engagement to customers on sustainability topics.

Employees

Relevance & inclusion

Relevant, always included

Please explain

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. Every Dow story starts with our people. Together, our 35,700 employees form an inclusive community of problem-solvers that help us deliver innovative solutions and an optimal customer experience, while transforming industries and shaping a sustainable future. We're invested in fostering a culture of inclusion, diversity and continuous learning to ensure every Dow employee is respected, valued and encouraged to make their fullest contribution. In an increasingly global business environment, we consider inclusion and diversity (I&D) to be a competitive driver. I&D is the smart thing to do, but it is also the right thing to do. It not only helps make Dow a great place to work, but it enhances our innovation, customer experience and understanding of the communities we serve. In 2017, we took actions to make our I&D efforts more strategic and intentional. We appointed our first inclusion officer, established an Office of Inclusion and implemented a three-tiered governance structure that engages employees at all levels of the company. Our inclusion strategy is based on seven foundational pillars and includes supporting behaviors and actions. Additionally, our I&D metrics are embedded in the same scorecard where we measure our financial and safety results. Leading indicators of Occupational Health and Safety performance are a cornerstone of Dow's worker protection program. A consistent set of globally applied leading indicators is complemented by locally defined leading indicators. At all Dow locations globally, workers can participate in Health and Safety teams at the site level. 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 purpose of reviewing and acting upon worker safety.

Investors

Relevance & inclusion

Relevant, always included

Please explain

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. • 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 committing to implementation of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations by 2022 and including alignment to the Sustainability Accounting Standards Board (SASB) standard and World Economic Forum (WEF) Stakeholder Capitalism metrics in our 2020 ESG Report. • We supported ESG accountability across the company by adding an ESG component to our Executive Compensation and employee Performance Award programs.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

At Dow, we believe our decision-making processes are improved when we involve the community. With sites in 31 countries, Dow has a daily presence in small towns and cities around the world as a neighbor, community leader, employer and manufacturer. Understanding the needs of the communities where Dow has locations, and responding in a constructive and appropriate way, is part of our role as a community member and one to which we are deeply committed. Community Advisory Panels (CAPs): Dow has been an industry leader in establishing and using CAPs in the communities where we have operations. Dow's CAPs represent a broad cross-section of local interests, including healthcare, education, civic engagement, law enforcement and local business. The CAPs operate in more than 38 of our global manufacturing communities and help us engage in ongoing and open communication regarding Dow's operations, safety programs, environmental conditions, community interaction and other aspects of the company and plant. Feedback from CAPs enables Dow to be responsive in addressing a community's quality of life needs and helps identify where the company can have the greatest impact. Dow continually refreshes its CAPs to maximize value for both Dow and the community. To find new ways to expand their reach, CAP members also engage other community residents by inviting them to Dow-hosted events. This results in greater feedback by residents and more awareness-building about Dow within the community. Community Surveys: Dow also measures its impact as a corporate citizen and identifies concerns through periodic community assessment surveys at select sites. These surveys generate feedback related to quality of life issues, Dow's "rightful role" in a community and also provide direct recommendations on opportunities where Dow can have a positive impact. We address these and many more issues through our local site Community Success Plans.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

Dow globally has projects in collaboration with NGOs like The Nature Conservancy and Restore the Earth Foundation to work on science-based metrics for sustainability projects. The ESII tool, developed with The Nature Conservancy and Ecometrix Solutions Group, assesses ecosystem services rapidly and cost-effectively in order to identify and incorporate the value of nature into business decision-making. For Brazil, specifically, we work with NGOs through our participation on the PPA (Plataforma Parceiros pela Amazônia) and in 2020 we announced a collaboration with Instituto Peabiru for the Yba project. We do consider the learnings with the NGOs as part of our strategy and risk mitigation plan. We also track other NGOs that are active on the forest agenda that we do not interact directly and consider it on our risk assessment as well. In 2020 we hired 2 external companies for a mapping of NGOs that work with forest-related projects/actions globally and in Brazil.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

As mentioned before, we work on a 10 year time frame analyses to define the eucalyptus cycle plantation (7 years) of our farms, long term contracts and business models to guarantee availability and competitiveness of timber products supply (woodchips and charcoal) to the Silicon Metal operations we have. We evaluate eucalyptus plantation investments done by the market (IBÁ report: pulp and paper industry, independent owners, charcoal-fired steel industry, financial investors, companies in the wood panel and laminate flooring and others) and the timber consumption market trends (RISI and others reports for: pulp and paper; industrial firewood; charcoal-fired steel/pig Iron; panels; lumber; treated wood and others).Based on the availability and price assumptions we define the supply matrix 10 year plan. We also have the participation in the Associação Mineira da Industria Florestal (AMIF), Federação Industrial do Estado de Minas Gerais (FIEMG) and Associação Brasileira dos Produtores de Ferroligas e de Silício Metálico (ABBRAFE) which allow us to engage with companies that produce or consume timber products as well.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

With respect to potential emerging regulation, Dow's Government Affairs team monitors the political landscape across all of the areas of the world where Dow operates to understand the status of emerging regulation. Dow's Government Affairs team, which is comprised of public policy and advocacy professionals, are responsible for Dow's external engagement with policy makers, regulators, trade associations and NGOs. . We have the participation in the Associação Mineira da Industria Florestal (AMIF), Federação Industrial do Estado de Minas Gerais (FIEMG) and Associação Brasileira dos Produtores de Ferroligas e de Silício Metálico (ABBRAFE) which allow us to engage with companies that produce or consume timber products to discuss and propose best practices and legislation to local and federal governments.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

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 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 env., health and safety. The requirements of the Code are built into all new and existing supplier contracts, to ensure they are contractually enforceable. Annually, we've identified compliance issues in less than 0.1% of our supplier base, resulting in the immediate cessation of business. 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, and environmental compliance and security. Assessments are conducted via work processes and external initiatives such as the Safety & Quality Assessment System, Chemical Distribution Institute Responsible Care® and Anti-Corruption Due Diligence. We also operate a detailed Distribution Risk Review process to ensure risks are adequately mitigated. A risk matrix is in place and has been updated and numerous actions were taken to address it such as increasing FSC certifications, supplier's improvement programs and audit program implementation. In 2017 an external company with forestry expertise was hired to access in detail the operational risks of the Minas Gerais value chain and based on that we built an even more robust audit program and technical team in 2019. The suppliers are audited in loco by our natural resources technical team periodically. Documents related to use of timber such as land regularization are reviewed (Certificado de Cadastro de Imóvel Rural-CCIR, Cadastro Ambiental Rural-CAR and Licença Ambiental Rural-LAR) and the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPFOP on Pará).

Other stakeholders, please specify

Relevance & inclusion

Not considered

Please explain

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

In general, Dow defines a substantive risk or opportunity as one that has the potential to impact Dow at a level of \$50 million USD or more. Dow uses a number of tools to identify and prioritize risk that bring a range of financial and strategic risks to the table for discussion, and whether or not a risk or opportunity is determined to be substantive is also dependent on other factors such as where in the value chain the impact may be felt, and the likelihood, magnitude, and duration of impact.

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.

In the case of forest-related risk and opportunities, the impacts are specific to the business unit.

MANAGING KEY IMPACTS, RISKS AND OPPORTUNITIES

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

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Negative media coverage

Primary potential impact

Reduced demand for products and services

Company-specific description

Brazil Charcoal and Woodchips market supply. These operations were acquired by Dow in 2016 and since then we have been working to develop the suppliers and detail Dow's expectations from them based on Dow's Code of Conduct.

Timeframe

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

We do not have a financial impact potential figure

Primary response to risk

Engagement with suppliers

Description of response

In order to avoid any reputational risk and ensure that the timber commodities are in compliance with local legislation, an audit process is in place at our sites in Pará and Minas Gerais. The audit process is based on review of monthly documents at the suppliers and verification against our check list that considers requirements beyond local legislation of Brazil. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPFOP on Pará). Long term contracts done in the past with suppliers that are not aligned with the companies value been replaced. Aiming to reduce the risks related to wood commodities, FSC certification is desired. On Pará, our farms are certified (certification renewed on 2020), 100% of the charcoal from market and 5% of woodchips suppliers are FSC certified. We have a strategy to increase the overall percentage of FSC Certified Charcoal and Woodchips for Minas Gerais and Pará

Cost of response

360000

Explanation of cost of response

This cost is related to the Technical Natural Resources team cost to ensure the audit process (workforce and transportation), external Certification FSC for Pará, EH&S team resources and third party legal consulting.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	<Not Applicable>
Cattle products	<Not Applicable>
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Efficiency

Where in your value chain does the opportunity occur?

Supply chain

Primary forests-related opportunity

Increased efficiency of manufacturing and/or distribution processes

Company-specific description & strategy to realize opportunity

Evaluation of operational efficiency and charcoal supply chain / process. The project's proposal is to carry out a complete diagnosis of charcoal suppliers, at the beginning of the production chain and support them with robust actions aiming at better productivity, operational efficiency and quality of the produced charcoal, especially regarding % of fixed-carbon. Dow is working in a partnership with the University of Viçosa. This partnership aims to analyze the charcoal characteristics according to the production parameters and provide training/workshop/courses to update the operations know-how.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-high

Likelihood

Very likely

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

720000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

By increasing the productivity, operational efficiency and quality of the produced charcoal, the conversion of wood to charcoal will be enhanced, thus reducing the wood consumption. Based on that we estimate that the charcoal cost could reduce ~8 USD/ton

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	As Chairman and Chief Executive Officer, the CEO provides leadership oversight for the entire organization, including decisions made on strategy as it relates to sustainability including forests. The CEO is responsible for discussing company strategy, plans, results, and issues with the Board and Board committees. As Chairman of the Board, the CEO ensures that topics related to sustainability, including forests are given appropriate time on meeting agendas, and that decisions made related to the Company's strategy around sustainability change are brought to consensus.
Board-level committee	The Environment, Health, Safety & Technology (EHS&T) Committee is a Board-level committee that oversees the following: environment, health, safety (EH&S), corporate social responsibility, public policy, philanthropy, corporate reputation, and science and technology.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	Our EHS&T Committee (Board level committee) has oversight of strategy and action plans developed by Dow's Executive Leadership Team as they relate to sustainability. The CEO, who is responsible for reporting to the Board EHS&T committee, is a member of the Executive Leadership Team, along with the Chief Financial Officer, Chief Technology Officer, VP of Investor Relations, VP of Government Affairs, Business Presidents, Senior VP of Operations, and Chief Information Officer.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Both assessing and managing forests-related risks and opportunities	As important matters arise	The Chief Executive Officer (CEO) and Chairman of the Board is ultimately responsible for forest-related issues. The CEO is the highest-ranking position at Dow. The CEO is a member of the Executive Leadership Team, along with the Chief Financial Officer, Chief Technology Officer, VP of Investor Relations, VP of Government Affairs, Business Presidents, Senior VP of Operations, and Chief Information Officer.
President	Both assessing and managing forests-related risks and opportunities	Quarterly	Specific to forests-related issues, The Performance Materials & Coatings Business President is primarily responsible for management. The Natural Resources and Feedstocks business unit, that includes timber related products, became a centerpiece of Consumer Solutions global strategy and are part of quarterly updates with the business President incorporated in the business sustainability strategy and 2050 carbon neutrality plan. Risks and opportunities related to forests through the business-specific management activities are incorporated into Dow's Enterprise Risk Management process and elevated for assessment and management as a corporate-level risk as appropriate.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	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). For sustainability we track our World-Leading Operations (WLO) Index that includes: Unplanned Events, Total Worker Health, Environmental Stewardship and Transportation Stewardship.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, and we have no plans to do so

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems List of timebound milestones and targets	Our global EH&S Policy commits Dow to "meet applicable government or Dow standards, whichever is more stringent" and to "report our progress and be responsive to the public". Dow has a long history of leadership in reporting transparency and sustainability disclosure, and we continue to build on our foundation of reporting against the GRI standards by expanding to include disclosures against SASB standards, TCFD, and WEF Stakeholder Capitalism metrics. We are also 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, which go beyond regulatory compliance, 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. Numerous Dow sites globally have received third-party verification of Dow's compliance with Responsible Care® and with outside specifications such as ISO-14001. Specifically for our Pará Farms RAAI and RAAII (45.7K hectares), we have the FSC forest management certification for the wood products and logs produced and used on the charcoal operation. FSC forest management certification confirms that the forest is being managed in a way that preserves biological diversity and benefits the lives of local people and workers, while ensuring it sustains economic viability. There are ten principles that any forest operation must adhere to before it can receive FSC forest management certification. These principles cover a broad range of issues, from maintaining high conservation values to community relations and workers' rights, as well as monitoring the environmental and social impacts of the forest management. Dow's 2025 Sustainability Goals were developed in a parallel path with the development of the United Nations' Sustainable Development Goals (SDGs). We disclose alignment of our activities with each of the 17 UN SDGs in our annual ESG report. Dow makes this commitment to protect rights and livelihoods of local communities through our commitment to the United Nations Global Compact and its ten principles. Our annual ESG report serves as our Communication on Progress.

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

Do you have a commodity specific sustainability policy?	Scope	Content	Please explain

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities beyond regulatory compliance Commitment to transparency Commitment to stakeholder awareness and engagement Commitment to align with the SDGs Recognition of the overall importance of forests and other natural ecosystems Recognition of potential business impact on forests and other natural ecosystems List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	Dow's Values and the Code are influenced by and reflect the fundamental principles described in the United Nations Universal Declaration of Human Rights. Dow committed in May 2007 to the UN Global Compact and its Ten Principles. Dow is committed to world-class environmental, health and safety ("EH&S") performance, as demonstrated by industry-leading performance, a longstanding commitment to Responsible Care®, and a strong commitment to achieve the Company's 2025 Sustainability Goals. To meet the Company's public commitments, as well as the stringent laws and government regulations related to environmental protection and remediation to which its global operations are subject, the Company has well-defined policies, requirements and management systems. The Company's EH&S Management System ("EMS") defines the "who, what, when and how" needed for the businesses to achieve the Company's policies, requirements, performance objectives, leadership expectations and public commitments. The Company believes third-party verification and transparent public reporting are cornerstones of world-class EH&S performance and building public trust. Numerous Dow sites have received third-party verification of the Company's compliance with Responsible Care® and with outside specifications such as ISO-14001. The Company 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. The Company accrues the costs of remediation of its facilities and formerly owned facilities based on current law and regulatory requirements. At December 31, 2020, the Company had accrued obligations of \$1,244 million for probable environmental remediation and restoration costs, including \$248 million for the remediation of Superfund sites. As part of the Valuing Nature goal, 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. At several levels, our 2025 Sustainability Goals and new sustainability targets impact each of the 17 SDGs.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

Dow
2020
Form
10-
K.pdf

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify (UN Global Compact , ISCC Association Membership and Task Force on Climate-related Financial Disclosures (TCFD))

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

Not applicable

Commitment target date

<2017

Please explain

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.

Forest risk commodity

Timber products

Criteria

Promotion of gender equality and women's empowerment

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

Not applicable

Commitment target date

<2017

Please explain

In 2011 Dow signed the CEO statement of support for the Women's Empowerment Principles (WEPs). A partnership of UN Women and the UN Global Compact, this initiative joins 167 companies and other organizations from around the world in their mission to promote gender equality and women's empowerment. Our solutions are reshaping our world and at the heart of our solutions are our people. Their diversity is our strength and they reflect the world in which we do business and the communities in which we live. In recognition to Dow's commitment to gender inclusion in the workplace, the supply chain and the communities in which we operate, Dow has been included in the 2021 Bloomberg Gender-Equality Index (GEI). Dow is also proud to have joined the CEO Action for Diversity & Inclusion™, the largest CEO-driven business commitment to advance inclusion and diversity in the workplace. 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. Dow's 2020 annual Performance Award bonus program was also 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. As a global leader in material sciences, Dow recognizes engagement of small & diverse suppliers maximizes bottom-line value, drives innovation and supports economic growth. Dow's supplier diversity initiative focuses on identifying and building relationships with enterprises owned by minorities, women, veterans, LGBTQ+ and disabled persons as well as certified small businesses. 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.

Forest risk commodity

Timber products

Criteria

Adoption of the UN International Labour Organization principles

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

Not applicable

Commitment target date

<2017

Please explain

Dow's Values and the Code are influenced by and reflect the fundamental principles described in the United Nations Universal Declaration of Human Rights. Dow committed in May 2007 to the UN Global Compact and its Ten Principles. Principles 1 and 2 speak directly to Human Rights concerns: that businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses. Dow conveys our Communication on Progress for the UN Global Compact's Ten Principles in our annual ESG Report. Further, we operate in full accordance with the UN Guiding Principles on Businesses and Human Rights. These Guiding Principles provide a framework for governments and companies that are committed to protecting human rights around the world. We respect the sovereignty of governments around the world and the responsibility of governments to protect the human rights of its citizens. Dow also has a significant role to play by ensuring compliance to local laws, regulations and customs in all aspects of its business operations. Living the values of Integrity and Respect for People is core to the way we do business and our commitment to the protection of human rights. Dow recognizes and respects applicable labor and employment laws — including those addressing freedom of association, privacy and equal employment opportunity — wherever we operate. We believe that working positively and directly with employees best serves their interests. In addition, we strive to work cooperatively with duly chosen employee representatives in the common pursuit of the interests of the employees and the Company's mission. Dow endeavors to positively impact the reduction of unlawful labor and child exploitation through compliance with child labor laws. Dow understands that children may legitimately perform tasks which do not interfere with their education, do not negatively affect their health, safety, and development, and are in compliance with applicable local, state, national, provincial, and international laws and regulations. Dow holds our business partners accountable through Dow's Supplier Code of Conduct and active engagement. Because respect for people and care for our communities are part of Dow's culture, we abide by and respect the property and resource rights held by others. Dow lives its commitment to the protection of human rights globally in many ways: Business Partners We intentionally choose to do business with partners who share Dow's Values and sense of global responsibility. All of our suppliers (new and existing) are expected to comply with our Code of Business Conduct for Suppliers, which specifies our standards around business and labor practices. We expect that all of Dow's business partners are compliant with the Code and all other applicable laws and regulations. We have a detailed work process to identify and manage sustainability risks across the supply chain and employ a distribution risk review process to mitigate risks for Dow distributors. We have an established process for due diligence and implementation phases of mergers, acquisitions and joint venture formations, which includes a review of human rights risks prior to the completion of an acquisition or the formation of a new business venture. Employee Programs Dow has specific sourcing relationships with organizations that specialize in recruiting people with disabilities including the National Technical Institute for the Deaf (NTID), and DiversAbility, LLC. Dow's Disability Employee Network (DEN) focuses on improving perceptions about people with disabilities and raising awareness about the contributions they make — both at work and outside of work. In addition, DEN fosters the professional and personal success of people with disabilities through a variety of training resources, aimed at people with disabilities and leaders managing people with disabilities.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	21-30	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. 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; and 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. 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).
Strategy for long-term objectives	Yes, forests-related issues are integrated	21-30	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. 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. Regarding the forest related materials we work on a 14 year time frame analysis to define the eucalyptus cycle plantation (7 years X 2) of our farms, long term contracts and business models to guarantee availability and competitiveness of timber products supply (woodchips and charcoal) to the Silicon Metal operations we have. We evaluate eucalyptus plantation investments done by the market (IBÁ report) and the timber consumption market trends. Based on the availability and price assumptions we define the supply matrix 10 year and 15 year plan. As part of our sustainability and risk mitigation strategy we want to increase the FSC Certification to 70% in 2023 and 100% by 2030.
Financial planning	Yes, forests-related issues are integrated	21-30	Financial planning is part of the 2050 carbon neutrality path we are building. We want to build on the progress we've made to date 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. We also have the financial plans specifically for Consumer Solutions that also includes strategy and capital planning for Silicon and Natural Resources operations that includes eucalyptus plantation and maintenance, long term contracts negotiations and business models to guarantee availability and competitiveness of timber products supply.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Assess and/or verify compliance

Description of target

100% of Suppliers audited through our Compliance Program

Linked commitment

Other environmental commitments

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2019

Target year

2022

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

Our suppliers and owned lands need to be in compliance. For suppliers we have the audit process where our natural resources technical team make field verifications and review the suppliers according to our check list that considers requirements aligned with environment and labor legislations. In 2020 we consolidated even more our program by also bringing an external company to support as well on our compliance agenda and audits in Minas Gerais where we have a more complex supply chain. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production activity must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará). 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. In 2020 we also 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. -Embedding sustainability into every purchase. -Advancing end-to-end transparency of our supply chains to identify hotspots in the supply chain where more sustainable alternatives can be sourced.

Target reference number

Target 2

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

FSC Certification of our Pará Forest used for charcoal production

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

FSC (any type)

Start year

2019

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

Our operation in Pará was ISO 14001 certified and we concluded that it would be more aligned with the business goals to have the FSC Certification. The certification was done in 2019 and was renewed on 2020 by the third party Imaflora.

Target reference number

Target 3

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

100% of charcoal and woodchips purchased FSC certified

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

FSC (any type)

Start year

2019

Target year

2030

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

26

Please explain

We are working with suppliers and purchasing team to have 100% of charcoal and woodchips purchased in the Brazilian operations FSC certified by 2030.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	The traceability system to track the origin of the wood commodities is guaranteed by the audit process. When entering on our sites the cutting declarations are checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará), identifying each load used on our operations. Our suppliers and wood production must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a wood production/consumption plan is informed to the local Secretariat of the Environment. The cutting declaration is based on the wood management plan, ensuring that the wood commodity production does not violate the local legislation and provides its origin.	Not applicable	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	State or equivalent	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

	Third-party certification scheme adopted?	% of total production and/or consumption volume certified
Timber products	Yes	
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Chain-of-custody model used

<Not Applicable>

% of total production/consumption volume certified

26

Form of commodity

Sawn timber, veneer, chips

Other, please specify (Charcoal)

Volume of production/ consumption certified

74416.4

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Our forest used for our charcoal operation is FSC certified. The charcoal and woodchips purchased in the market are part certified but all suppliers are audited by our technical team.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Timber products

Operational coverage

Direct operations
Supply chain

Description of control systems

The system starts with the audit process with the supplier regularization by our purchasing team and field verification by the Natural Resources team. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará). In 2020 we consolidated even more our program by also bringing an external company to support as well on our compliance agenda and audits for Minas Gerais.

Monitoring and verification approach

Ground-based monitoring system

% of total volume in compliance

100%

% of total suppliers in compliance

100%

Response to supplier non-compliance

Suspend & engage

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance

Please explain

We identify the non-compliance and contact the supplier. Depending on the deviation we may suspend it or establish action plans with deadlines to bring it back to compliance. We have monthly meetings to track all suppliers situation and compliance program metrics.

F6.5

(F6.5) For your disclosed commodity(ies), indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code.

	Do you collect data regarding compliance with the Brazilian Forest Code?	Please explain
Timber products	Yes, from both suppliers and owned/managed land	The consumption and production of wood base commodities are in accordance with Brazilian Forest Code from both suppliers and owned land sides. This compliance is verified by the audit process, which is based on monthly document and in loco verification that reviews the suppliers according to our check list that considers requirements aligned with local legislation of Brazil. In 2020 we consolidated even more our program by also bringing an external company to support as well on our compliance agenda and audits for Minas Gerais. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually an production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará).
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.5a

(F6.5a) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure your own compliance with the Brazilian Forest Code and your performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status

Performance against indicators

91-100%

Please explain

Guaranteed by the audit process. As part of our documentation verification step made by the purchasing team, charcoal and woodchips suppliers must present documentation to proof that their land is registered on the Rural Environmental Registry (CAR)

F6.5b

(F6.5b) For your disclosed commodity(ies), indicate which Key Performance Indicators (KPIs) you use to measure the compliance of your suppliers with the Brazilian Forest Code and their performance against these indicator(s).

Forest risk commodity

Timber products

KPIs

% of suppliers with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit

Performance against indicators

100%

Please explain

Guaranteed by the audit process. As part of our documentation verification step made by the purchasing team, timber suppliers (internal and external) must present documentation to proof that their land are in compliance to the Brazilian Forest Code. Land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. By this procedure, the presence of Legal Reserve and/or Permanent Protected Area (APP) is ensured. In addition, the Natural Resources team does field verification to ensure compliance. For Minas Gerais, as part of the compliance program for our farms we have a procedure for cut authorization that also includes: o Check the harvest planning and define the areas that will be mapped o Develop and monitor the imaging and mapping schedule; o Organize received shape files and check for inconsistencies; o Update the forest base with the new project boundaries; o Send a map ("georeferenced PDF" format) to the Forestry Technician responsible for harvesting the Farm. o Support and train the Forestry Technician and the Supplier's representative in the use of the Avenza Maps™ application to locate APPs and Legal Reserve prohibited by the cut. o After training in the use of the application and delivery of the Map, the supplier is instructed to demarcate the boundaries in the field and only after a second visit by the Tec. Responsible for validating the markings is that the project is authorized to be started. Parallel to this process, which is the standard in Minas Gerais, the updating of the mapping of permanent preservation areas and Legal Reserve will be carried out for Fazendas da Zona da Mata. This mapping took place in 2019 and 2020 and will have a new update in August 2021 by imaging with an unmanned aerial vehicle (UAV), and the main products will be: exact location of springs, perennial water holes and perennial streams and intermittent and their respective APPs (Permanent Preservation Areas) ; exact location of the areas destined to the Legal Reserve (RL). It will give an even more precisely information if areas identified as APP are in accordance with Law 12,651 of 25 May 2012 and State Law 20922/13 of 16 October 2013 and the areas destined for Legal Reserve are in accordance with the CAR (environmental register rural).

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Comment
Timber products	Yes, from both suppliers and owned/managed land	<Not Applicable>
Palm oil	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

The system starts with the audit process with the supplier regularization by our purchasing team and in field verification by the Natural Resources team. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production activity must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará). In order to ensure that our process is in accordance to the local regulations, our regulatory team is aware of possible changes in the Forest Code and we contracted a third party consulting to update us as well. For Minas Gerais, as part of the compliance program for our farms we have a procedure for cut authorization that also includes: o Check the harvest planning and define the areas that will be mapped o Develop and monitor the imaging and mapping schedule; o Organize received shape files and check for inconsistencies; o Update the forest base with the new project boundaries; o Send a map ("georeferenced PDF" format) to the Forestry Technician responsible for harvesting the Farm. o Support and train the Forestry Technician and the Supplier's representative in the use of the Avenza Maps™ application to locate APPs and Legal Reserve prohibited by the cut. o After training in the use of the application and delivery of the Map, the supplier is instructed to demarcate the boundaries in the field and only after a second visit by the Tec. Responsible for validating the markings is that the project is authorized to be started. Parallel to this process, which is the standard in Minas Gerais, the updating of the mapping of permanent preservation areas and Legal Reserve will be carried out for Fazendas da Zona da Mata. This mapping took place in 2019 and 2020 and will have a new update in August 2021 by imaging with an unmanned aerial vehicle (UAV).

Country/Area of origin

Brazil

Law and/or mandatory standard(s)

General assessment of legal compliance
Other, please specify (Brazilian Forest Code)

Comment

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs	500	As part of the ownership restructure of Dow Corning Corporation in 2016, Dow acquired the "Fomentos" contracts in Minas Gerais state only. In 2018 we worked on a detail risk assessment and in 2019 we structured a compliance program. We have a technical team as part of our Natural resources structure that visits periodically the farmers to guide them on best technical practices and also conduct compliance audits. We have a compliance program leader that track the actions and check list audits. We have been reducing the number of small farm contracts. By 2023 we want to have 70% of our charcoal coming from FSC-certified wood.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping Capacity building	Supplier audits Offering on-site training and technical assistance Organizing capacity building events	Please select	We have been doing trainings with suppliers regarding compliance, Diversity and Inclusion and technical audits and trainings. On our sites on Pará and Minas Gerais an audit process is in place. This audit process is based on document and in field every month. Documents related to use of timber like land regularization (Certificado de Cadastro de Imóvel Rural - CCIR, Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR). All timber needs to be related to a cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPROF on Pará). In case of disagreement with our compliance, the purchasing team contacts the supplier to notify and implement an action plan to correct it. 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. 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 events only for Diversity and Inclusion and also an event focused on sustainability and our expectations from suppliers. A new Sustainable Procurement Strategy was also launched in 2020, which defines a concrete roadmap for the years ahead around three key pillars. Evolving new and deeper ways of collaborating with our value chain. We will provide opportunities for everyone to learn about sustainability, and to share ideas on how they can integrate sustainability into their practices and embedding sustainability into every purchase.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier audits Offering on-site training and technical assistance Other, please specify (Providing Agriculture Inputs)	In the case of Minas Gerais, our engagement with the Fomentos (small farms) represents our work beyond first tier. The Fomentos supply the wood to our charcoal suppliers. They supply the eucalyptus that is converted in charcoal and supplied to Dow. This represents 50-60% of Charcoal consumption in Minas Gerais. As part of the ownership restructure of Dow Corning Corporation in 2016, Dow acquired the "Fomentos" contracts in Minas Gerais state only. In 2018 we worked on a detail risk assessment and in 2019 we structured a compliance program. We have a technical team as part of our Natural resources structure that visits periodically the farmers to guide them on best technical practices and also conduct compliance audits. We have a compliance program leader that track the actions and check list audits.
Palm oil	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Cattle products	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

UN Global Compact

WBCSD Forests Solutions Group

Other, please specify (Plataforma Parceiros pela Amazônia (PPA); CEO Water Mandate; Task Force on Climate-related Financial Disclosures (TCFD), ISCC Association Membership.)

Jurisdictional approaches

<Not Applicable>

Please explain

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 WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. Dow experts participate on numerous WBCSD work groups. PPA is a collective action platform for the private sector to foster new models of sustainable development in the Amazon. Its objective is to develop and identify tangible and innovative solutions for the conservation of biodiversity and natural resources in the Amazon, as well as guaranteeing the quality of life of the communities in the region. There are 41 members, private companies like Dow, Natura, Cargill, Suzano, KPMG, AMBEV, Whirlpool, Coca-Cola; NGOs such as Peabiru, ECAM, IDESAM and institutional partners like USAID. There was R\$ 4.8 million (~960K USD) invested in impact businesses in 2019 and more than 15 million hectares with improved management due to PPA partners action. 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. Task Force on Climate-related Financial Disclosures (TCFD). In June 2017, Dow committed to implement the recommendations of the Task Force to be transparent about risks due to climate change and our corporate response. Our chief sustainability officer serves as a member of the Task Force. ISCC Association Membership: With the announcement in June 2020 of Dow's accelerated carbon neutrality and circularity goals, Dow is elevating its focus beyond the walls and battery limits of its plants. By becoming an International Sustainability and Carbon Certification (ISCC) association member, Dow joins other industry players to unify around the methodologies that ISCC will put out for industry to follow. Together they will govern and direct sustainability solutions for fully traceable and deforestation-free supply chains.

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Involved in industry platforms

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

Participation in Associação Mineira da Indústria Florestal (AMIF), Federação Industrial do Estado de Minas Gerais (FIEMG), Federação das Indústrias do Estado do Pará (FIEPA) and ASSOCIAÇÃO BRASILEIRA DOS PRODUTORES DE FERROLIGAS E DE SILÍCIO METÁLICO (ABRAFE) which allow us to engage with companies that produce or consume timber products to discuss and propose best practices.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Other, please specify (Biodiversity access to generate social development)

Primary motivation

Voluntary

Description of project

Empower Amazon local communities to assess its biodiversity bringing economic growth to an underdeveloped region through the forest conservation. The project has the objective to promote the AMAZON FOREST CONSERVATION as a result of value perception of the standing trees. The project aims to 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. The project is receiving an investment of US \$200,000 from our Business Impact Fund.

Start year

2020

Target year

2023

Project area to date (Hectares)

38000

Project area in the target year (Hectares)

38000

Country/Area

Brazil

Latitude

-3.416666

Longitude

-49.325

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Please explain

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 and 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

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, but we are actively considering verifying in the next two years

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Lack of regulatory control and enforcement from local governments

Comment

Gap on enforcement of local legislation to suppliers by government entity. We see that the legislation in Brazil is in place but due to the gap on enforcement the risk exists in the supply chain. In 2019 in order to mitigate the risks we intensified our compliance program by bringing more technically capable people to our natural resources team, intensifying the compliance program through additional field visits and a more structured supplier audit check list which includes an open actions follow up process. In 2020 we consolidated even more our program by also bringing an external company to support our compliance agenda and audits. In order to ensure that the timber commodities are in compliance with local legislation and have traceability of the sources, on our sites on Pará and Minas Gerais an audit process is in place. The audit process is based on monthly document and field verification that reviews the suppliers according to our check list aligned with environmental and labor legislation of Brazil. Suppliers and Dow land must be certified by Certificado de Cadastro de Imóvel Rural - CCIR. Timber production must be registered on Cadastro Ambiental Rural - CAR and Licença Ambiental Rural - LAR. Annually a production/consumption plan is informed to the local Secretariat of the Environment. In addition, to ensure that the wood commodity production does not violate the local legislation, before entering on our operations the cutting declaration is checked (Declaração de Corte de Floresta - DCF on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará - CEPFOP on Pará). For the approval of new suppliers we have a check list of documents asked by purchasing team. If approved, the suppliers are then audited in loco by our natural resources technical team.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater enforcement of regulations

Comment

The audit program and external certification are limited to our direct impact and also add cost to the raw materials. In order to mitigate even more this risk, a greater enforcement of regulation by local government would be key.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Greater supplier awareness/engagement

Comment

We see the need to have more suppliers available in the market aligned with our values and ESG goals. We have been working with suppliers on development programs but the number of charcoal and woodchips suppliers that have compliance as a priority and are aligned with Dow's Code of Conduct is limited.

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Vice President and Chief Sustainability Officer	Chief Sustainability Officer (CSO)