

## Welcome to your CDP Forests Questionnaire 2022

### F0. Introduction

#### F0.1

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

Dow (NYSE: DOW) combines global breadth; asset integration and scale; focused innovation and materials science expertise; leading business positions; and environmental, social and governance (ESG) leadership to achieve profitable growth and deliver a sustainable future. The Company's ambition is to become the most innovative, customer centric, inclusive and sustainable materials science company in the world. 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 applications. Dow operates 104 manufacturing sites in 31 countries and employs approximately 35,700 people. Dow delivered net sales of approximately \$55 billion in 2021.

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).

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").

#### 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, 2021	December 31, 2021

### 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
Timber products	Disclosing	Production Processing Trading
Palm oil	This commodity is not produced, sourced or used by our organization	
Cattle products	This commodity is not produced, sourced or used by our organization	
Soy	This commodity is not produced, sourced or used by our organization	
Other - Rubber	This commodity is not produced, sourced or used by our organization	
Other - Cocoa	This commodity is not produced, sourced or used by our organization	
Other - Coffee	This commodity is not produced, sourced or used by our organization	

### 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 less than 1% of Dow's total sales in 2021.
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## F0.6

**(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	US2605571031
Yes, a CUSIP code	260557 103
Yes, a Ticker Symbol	DOW

## 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
- Other, please specify
- Charcoal

##### Source

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

##### Country/Area of origin

- Brazil

**% of procurement spend**

<1%

**Comment**

## 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.**

	<b>% of revenue dependent on commodity</b>	<b>Comment</b>
Timber products	6-10%	This revenue percent represents our 2021 Consumer Solutions global business sales. Hydrochloric acid, methanol, platinum, silica and silicon metal are the key raw materials for Consumer Solutions. Timber products, such as charcoal and woodchips, are used to produce silicon metal and are sourced both internally and externally following sustainable forest practices that aim to lower the carbon footprint of our products.

## 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**

Tree plantations

**Area (Hectares)**

9,856

**% Area certified**

87

**Certification scheme**

FSC Forest Management certification

**Conversion of natural ecosystems monitored during the reporting year, the last 5 years and/or since specified cutoff date**

We have monitored conversion of natural ecosystems during the reporting year

**Area of natural ecosystems converted during the reporting year (hectares)**

0

**Area of natural ecosystems converted since specified cutoff date (hectares)**

**Area of natural ecosystems converted during the last 5 years (hectares)**

**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 two businesses: Performance Silicones & Specialty Materials and Silicone Feedstocks & Intermediates. Timber products support the Natural Resources and Silicon Metal operations as part of the Silicone Feedstocks & Intermediates business. Silicon metal produced at our captive sites in Brazil consume charcoal and woodchips as inputs. Dow procures these inputs from the market and produces them in our Natural Resources Operation in Brazil.

Our Natural Resources Operations include Dow owned land located in Minas Gerais and Pará states in Brazil. Our farm in Pará, where charcoal is sourced, is located on the Amazon Biome and is FSC certified. In Minas Gerais, our smaller eucalyptus plantation used for resourcing woodchips, are located on the Cerrado and Mata Atlantica biomes and do not have FSC certification. We did not convert any natural ecosystems on any of our farms.

## 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.**

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**Forest risk commodity**

Timber products

**Country/Area**

Brazil

**Type of control**

Own land

**Land type**

Set-aside land

**Area (hectares)**

45,045

**% covered by natural forests**

92

**Please explain**

We have a total of 45,045 hectares of land that are not used for production. The total is derived from our Pará farms that have 38,934 hectares of native forest, Minas Gerais farms that 2,559 hectares of native forest, and 3,552 additional hectares of land for production.

**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

**F1.5a**

**(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.**

**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

42,595

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

Yes

**% of reported volume verified as deforestation- and/or conversion-free**

100

**Please explain**

Dow produces silicon metal using charcoal and woodchips. Dow owns land as part of our Natural Resources Operation and the assets are in Minas Gerais and Pará states in Brazil. We own a total of 54,904 hectares, of which 9,859 is used for operation and 45,045 is set aside or conserved native forest area. Our farm in Pará has the charcoal operation and is Forest Stewardship Count (FSC) certified. In Minas Gerais, we have Eucalyptus plantations on smaller size farms to produce woodchips and in 2021 was not FSC certified. The farms are located on the Amazon biome in Pará and on the Cerrado and Mata Atlantica biomes on Minas Gerais.

**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

226,713

**Metric for commodity production/ consumption volume**

Metric tons

**Data coverage**

Full commodity production/consumption

**Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?**

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

**% of reported volume verified as deforestation- and/or conversion-free**

**Please explain**

At our Pará and Minas Gerais sites in Brazil we use internally and externally sourced charcoal and woodchips to produce silicon metal, one of the main raw materials consumed in silicones production.

To ensure that the timber commodities are in compliance with local regulations and have source traceability, an audit process is in place. The audit process is based on monthly documentation and in-person site verification that reviews all the active suppliers are aligned with environmental and labor legislation of Brazil.

Both Dow and supplier owned 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. To maintain certification, a required production/consumption plan is submitted annually to the local Secretariat of the

Environment. In addition, to ensure that the wood commodity production does not violate local regulations, all cutting documentation/declarations are verified before access is granted to our operations. (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). Suppliers are vetted by the purchasing team to ensure they meet all applicable requirements. Once approved, they undergo the audit process by our Natural Resources Technical Team.

Through Dow's Supplier Code of Conduct, we continue to engage new suppliers globally and communicate our expectation of compliance to be with regulations and Dow's values. We also continually review and refresh our Dow Supplier Code of Conduct, 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. These requirements are built into all new and existing supplier contracts, to ensure they are contractually enforceable.

As part of the ownership restructure of Dow Corning in 2016, Dow obtained contracts with local farmers in Minas Gerais called the "Fomentos". In 2018, we implemented a detail risk assessment process and in 2019 we structured a reformulated compliance program. Our technical team visits the farmers bi-monthly to guide them on best technical practices and to conduct compliance audits to verify that they are working in accordance with the law. Forest management is verified if the documentation and licensing is in compliance with the law, Declaração de Colheita de Florestas Plantadas e Produção de Carvão -- DCF on Minas Gerais and Declaração de Corte e Colheita -- DCC on Pará, the equipment is certified by the government environmental bodies and whether the environmental protection areas are protected from activities.

## 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.**

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### 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

100

### Please explain



Dow has two silicon metal operations located in Minas Gerais and Pará that use charcoal and woodchips in their operations. These sites account for 100% of the total charcoal and woodchips consumed in 2021. The volume is calculated based on our SAP reports that account for all consumed and invoiced/purchased volume. In Brazil we use internally and externally sourced charcoal and woodchips to produce silicon metal, one of the main raw materials used in silicone production. Dow owns land as part of our Natural Resources operation in Minas Gerais and Pará states in Brazil. We own a total of 54,904 hectares, where 9,859 hectares are used for operation and 45,045 hectares are set aside or conserved native forest area. Our farms in Pará are used for charcoal production and are FSC certified. In Minas Gerais, we have Eucalyptus plantation on smaller size farms that are used for woodchips production and at this moment do not have FSC certification. We have farms on the Amazon biome in Para and on the Cerrado and Mata Atlantica biomes on Minas Gerais.

## F1.6

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

No

## F1.7

**(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.**

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**Forest risk commodity**

Timber products

**Have you monitored or estimated your deforestation/conversion footprint?**

Yes, we estimate deforestation/conversion footprint based on sourcing area

**Coverage**

Full consumption volume

**Reporting deforestation/conversion since a specified cutoff date or during the last five years?**

During the last 5 years

**Known or estimated deforestation/ conversion footprint (hectares)**

0

**Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint**

Dow has had no expansion of land footprint or increase in consumption of timber-based materials.

As part of our audit process, we track external suppliers to ensure they do not participate in illegal deforestation practices and are following all environment and labor

laws. Because our suppliers must be certified by Certificado de Cadastro de Imóvel Rural – CCIR, and timber production certified by Cadastro Ambiental Rural - CAR and Licença Ambiental Rural – LAR, we are able to use them confidently and ensure they are upholding all of Dow’s requirements regarding deforestation. At our Minas Gerais location, we have a complex supply chain process and therefore have increased our compliance audit scope by adding an additional audit process conducted by a 3rd-party. Our production/consumption plan is submitted to the local Secretariat of the Environment annually. In addition, to ensure that the wood commodity production does not violate local regulations, all cutting documentation/declarations are verified before access is granted to our operations. (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).

As part of the ownership restructure of Dow Corning in 2016, Dow obtained contracts with local farmers in Minas Gerais called the "Fomentos". In 2018 we implemented a detail risk assessment process and in 2019 we structured a reformulated compliance program. Our technical team visits the farmers bi-monthly to guide them on best technical practices and to conduct compliance audits to verify that they are working in accordance with the law. Forest management is verified if the documentation and licensing is in compliance with the law, Declaração de Colheita de Florestas Plantadas e Produção de Carvão – DCF on Minas Gerais and Declaração de Corte e Colheita – DCC on Pará, the equipment is certified by the government environmental bodies and whether the environmental protection areas are protected from activities.

## 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

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##### 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

### **Issues considered**

Availability of forest risk commodities  
Quality of forests risk commodities  
Impact of activity on the status of ecosystems and habitats  
Regulation  
Climate change  
Brand damage related to forests risk commodities  
Corruption  
Social impacts

### **Stakeholders considered**

Customers  
Employees  
Investors  
Local communities  
NGOs  
Other forest risk commodity users/producers at a local level  
Regulators  
Suppliers

### **Please explain**

Dow uses several tools to identify and prioritize risks and opportunities, including a sustainability materiality assessment, a stakeholder engagement process and our Enterprise Risk Management process.

When assessing whether a risk or opportunity is substantive, Dow evaluates impacts related to elements such as the cost of raw materials, impact on operating cost of investment in new technology, impact to the price at which products can be sold, impact as a result of potential lost sales, or in the case of opportunities, market share gained, etc. Other impacts are also considered that are not yet able to be quantified in a concrete manner (for example, reputational impact of certain risks is more difficult to quantify) but could still be important for discussion due to a variety of factors.

For forests specifically within Dow, a risk matrix was developed in 2014 based on an external assessment (commissioned by then-parent company Dow Corning Corporation). This risk matrix is re-evaluated annually and is based on probability and impact potential. Since its conception, improvements such as increasing FSC certifications, initiating supplier's improvement programs and implementing a robust audit program have been made. The main risks assessed are supply disruption,

noncompliance with regulatory standards, and social, environmental and reputational impacts. In 2017, at our Minas Gerais location, we increased our compliance audit scope by adding an additional audit process conducted by a 3rd-party. As a result of this audit, in 2019 we built an even more robust audit program and technical team and these improved practices continue today. Potential new suppliers are vetted by the purchasing team to ensure they meet all applicable requirements. Once approved, they undergo the audit process by our Natural Resources Technical Team which includes monthly field visits. Additionally, documentation 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 declarations (Declaração de Corte de Floresta-DCF on Minas Gerais or Declaração de Corte e Colheita – DCC on Pará) are reviewed. In 2020 we hired two third Party companies for global and regional mapping of NGOs that work with forest related projects.

## F2.2

**(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?**

	Value chain mapping
Timber products	Yes, we have mapped the entire value chain

## F2.2a

**(F2.2a) Provide details of your organization’s value chain mapping for its disclosed commodity(ies).**

**Forest risk commodity**

Timber products

**Scope of value chain mapping**

- Own operations
- Tier 1 suppliers
- Tier 2 suppliers
- Customers

**% of total suppliers covered within selected tier(s)**

100

**Description of mapping process and coverage**

Silicon metal production requires the use of charcoal and woodchips. Dow has silicon production facilities in Brazil and sources these materials both internally and from third party suppliers. Through Dow’s Supplier Code of Conduct, we continue to engage our suppliers globally and communicate expectations that they must remain compliant with local regulations and Dow’s values. We also continually review and refresh Dow’s Supplier Code of Conduct, completing a full analysis of our current standards and industry best practices to ensure that we’re holding our suppliers to the highest

sustainability, human rights, and environmental health and safety standards.

In order to ensure timber commodities uphold compliance requirements and to have traceability of our timber sources, our Pará and Minas Gerais sites audit 100% of our active suppliers. The audit process is based on monthly documentation and in person verification that reviews all suppliers are aligned with Brazilian environmental and labor requirements.

Both Dow and 3rd party owned 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. In addition, before entering on our operations the cutting documentation/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). Potential new suppliers are vetted by the purchasing team to ensure they meet all applicable requirements. Once approved, they undergo the audit process by our Natural Resources Technical Team which includes monthly field visits. To understand and map silicone presence in the market, Dow sales and technical support team is constantly in touch with our customers and distributors, so that we can address their needs and provide solutions. We also have Customer Experience surveys which are a main source of soliciting insight annually from our customers. Surveys are sent to every direct customer contact who has interacted with us over the previous 12 months. The contact is asked about their overall experience working with Dow during that time. This provides us with the Customer Experience Index (CXi). To reinforce accountability and transparency across the company, we added a CXi component to our Executive Compensation and employee Performance Award programs.

**Your own production and primary processing sites: attach a list of facility names and locations (optional)**

**Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)**

## 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

### F3.1a

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

**Definition of substantive impact:**

When assessing whether or not a risk or opportunity is substantive, Dow evaluates impacts related to elements such as the cost of raw materials, impact on operating cost (e.g., energy costs, costs of complying with regulation), cost of investment in new technology, impact to the price at which products can be sold, impact as a result of potential lost sales, or in the case of opportunities, market share gained, etc. In addition, there could be impacts that need to be considered that are not yet able to be quantified in a concrete manner (for example, reputational impact of certain risks is more difficult to quantify) but could still be important for discussion due to a variety of factors. 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 duration of impact.

**Description of the quantifiable indicators used to define substantive impact:**

Dow defines a substantive financial or strategic impact when identifying or assessing climate related-risk or opportunity as one that has the potential to impact Dow at a level of \$50 million USD or more. Probability of occurrence/likelihood is often incorporated to determine substantiveness. For example, a risk with the potential to impact Dow at a level of \$200 million USD with a probability of occurrence of 25% would meet the threshold of a substantive impact ( $\$200 \text{ million USD} * 25\% = \$50 \text{ million USD}$ ).

For forests specifically within Dow, a risk matrix was developed in 2014 based on an external assessment (commissioned by then-parent company Dow Corning Corporation). This risk matrix is re-evaluated annually and is based on probability and impact potential. Since its conception, improvements such as increasing FSC certifications, initiating supplier's improvement programs and implementing a robust audit program implementation have been made. The main risks assessed are supply disruption, noncompliance with regulatory standards, and social, environmental, and reputational impacts. In 2017 at our Minas Gerais location, we increased our compliance audit scope by adding an additional audit process conducted by a 3rd-party. As a result of this audit, we built an even more robust audit program and technical team in 2019 and these improved practices continue today.

**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 several tools to identify and prioritize risks and opportunities, including a sustainability materiality assessment, a stakeholder engagement process, and our Enterprise Risk Management (ERM) process. Risk management is a strategic activity within Dow, and our ability to manage risk creates opportunity as well. Dow's ERM process is responsible for identifying significant or major risks to the company and creating action plans to mitigate risks. On an annual basis, the ERM process screens risks from a broad range of inputs, both internal and external to Dow. Risks assessed as part of the annual ERM process include risks with economic, environmental and social impacts. All risks are reviewed and categorized based on potential impact and likelihood of a significant event occurring. Each risk is assigned to a member of Dow's Executive Leadership Team (ELT) and an internal subject matter expert for mitigation plan accountability, if needed. The results of the annual ERM process are reviewed with Dow's ELT – a diverse, cross-functional team representing each of Dow's businesses, functions and geographic regions. Key risks that have specified mitigation actions are reviewed more regularly in leadership team meetings. In addition, risks can be re-evaluated based on

several factors including changes in the external and macroeconomic environment, concerns identified by senior leaders or Dow's Board, or through detection in Dow's internal work processes. The Audit Committee of the Board has oversight of the ERM process, including an annual review of the ERM results as well as the policies and processes used to assess, monitor and control risks. Specific risks are also reviewed with the Environment, Health, Safety & Technology Committee, Compensation and Leadership Development Committee, Corporate Governance Committee and/or the full Board.

## 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

Regulatory

### Geographical scale

Global

### Where in your value chain does the risk driver occur?

Supply chain

### Primary risk driver

Non-compliance with national legislation

### Primary potential impact

Reduction or disruption in production capacity

### Company-specific description

The primary risk to our business model is related to the supply of our charcoal and woodchips that are sourced from 3rd party suppliers. Dow's Supplier Code of Conduct outlines strict requirements that our suppliers must meet.

In order to avoid any production disruption, compliance and reputational risk and ensure that the operation can receive the timber commodities, 100% of our charcoal and woodchips suppliers must be compliant with the follow legislation required documents: Certificado de Cadastro de Imóvel Rural – CCIR, Cadastro Ambiental Rural – CAR, Licença Ambiental Rural - LAR, 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. If our suppliers fail to remain in compliance, we will not be able to continue to purchase these materials from them. A disruption such as this on supply would lead to impacts on the silicon metal production that could potentially impact our downstream silicone chain. In 2016, as part of the Dow Corning ownership restructure, we gained a contract with farmers known as "Fomentos".

**Timeframe**

1-3 years

**Magnitude of potential impact**

Medium-low

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact (currency)**

31,738,453

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial**

To calculate the \$31,738,453 potential financial impact, we considered the current percentage of charcoal and woodchips supplied from the Fomento value chain, where the regulatory risk is more present. We considered a 30% probability and based on the ratio used for the silicon metal production we calculated the estimated volume potential impact. We used an average price of Silicon Metal of \$3,500 USD/ton based on historic market prices (we excluded 2021 and 2022 prices for being atypical due to COVID impacts and shortage).

Due to competitive advantage reasons, we cannot share the exact percentage of the Fomento supply and the ratio use of charcoal and woodchips on the silicon metal production.

**Primary response to risk**

Engagement with suppliers

**Description of response**

In order to avoid any production disruption, compliance and reputational risk and ensure that the operation can receive the timber commodities, 100% of our charcoal and woodchips suppliers are required to be compliant with the follow legislation required documents: Certificado de Cadastro de Imóvel Rural-CCIR, Cadastro Ambiental Rural-CAR, Licença Ambiental Rural-LAR, 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. Our Natural Resources Team audits these suppliers bimonthly. In an effort to reduce the risks related to wood commodities, Dow commits to increase the overall FSC (Forest Stewardship Council) certification to 100% by 2030. Currently 72% of charcoal both harvested and purchased at our Pará location was FSC certified and is 46% FSC certified at our Minas Gerais location. These locations underwent a detailed risk assessment in 2019 and today we have a robust compliance program as a result. Our technical team visits farmers on a bi-monthly basis to guide them on best



technical practices and conduct compliance audits. A compliance program leader tracks actions from these audits monthly.

**Cost of response**

360,000

**Explanation of cost of response**

The annual cost of 360K USD is related to the assurance of the audit process conducted by technical natural resources team, the external Certification from Forest Stewardship Council (FSC) for Pará, EH&S team resources and third-party verification/consulting. In 2021, we have had 20 people that are involved with our compliance program with a cost of \$19k USD per month and \$228k USD every year. In 2021 and currently, the technical team visits different farmers and suppliers to conduct compliance audits bi-monthly. A compliance program leader tracks audit results and actions monthly. We also had a monthly cost with third-party verification of \$7k USD (\$84k USD every year) and another 48k yearly with the FSC certification and external consultation.

**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

**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**

The project's proposal is to, in partnership with the University of Viçosa, assess the quality and production process of the Minas Gerais charcoal suppliers and support them with technical development and improved production controls to increase operational efficiency and quality. The main quality characteristic that is measured on this project is

the charcoal fixed-carbon with the objective of reaching a target between 75%- 82%. Regarding the operational efficiency, the charcoal transportation and production process are the key part of this project where we aim to work with suppliers to increase conversion efficiency and reduce the loss resulting from fines. We estimate 72.2K tons of charcoal supply have been impacted by this project, what represents around 30% of our total yearly timber product consumption. The gains that result from these improvements are estimated using \$8 USD/ton of produced charcoal. We estimate this project could generate a total impact of \$578K USD (72.2k tons times \$8 USD). The University of Viçosa was selected as this project's partner because they offer expertise based on extensive research on charcoal production. The university will analyse the supplier's charcoal characteristics, according to the production parameters defined with Dow, and provide training/workshop/courses to improve the suppliers' technical knowledge and capabilities around charcoal production.

**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)**

578,000

**Potential financial impact figure – minimum (currency)****Potential financial impact figure – maximum (currency)****Explanation of financial impact figure**

The project aims to increase the suppliers' operational efficiency and improve the conversion of wood to charcoal reducing wood consumption. The project will also improve the charcoal quality, targeting a fixed carbon between 75 to 82%, reducing fines. Considering these gains, we estimate that the charcoal cost would reduce ~\$8 USD/ton and considering a total volume impact of 72.2K tons, this represents a total financial impact potential of \$578K USD. 72.2 tons represent around 30% of our total yearly timber products consumption.

## 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)	<p>The CEO provides leadership oversight for the entire organization, including decisions made on strategy as it relates to sustainability and climate change, including forest-related issues. The CEO is responsible for discussing Company strategy, plans, results, and issues with the Board and Board Committees. As Chairman of the Board and in consultation with the Lead Director, the CEO ensures that topics related to sustainability, including forest-related issues, are given appropriate time on meeting agendas, and that decisions made related to the Company's strategy around sustainability and climate change are brought to consensus.</p> <p>Example of a forest-related decision/update to the CEO: In 2021 we launched the Yba project that has the objective to generate social development through the forest preservation in Breu Branco, Brazil. The project is receiving an investment of \$200,000 USD from Dow's Business Impact Fund grant.</p>
Board-level committee	<p>The Board actively oversees and engages with management in stewardship of the Company's strategy, ESG leadership, risk management and overall performance, including forest-related issues. All Board Committees are composed of independent Directors and have clearly defined oversight responsibilities. Each Committee reports to the full Board on topics discussed and actions taken in connection with regular Committee meetings. The Board currently has four Committees: Audit Committee; Compensation and Leadership Development Committee; Corporate Governance Committee; and Environment, Health, Safety &amp; Technology (EHS&amp;T) Committee.</p> <p>The Environment, Health, Safety &amp; Technology (EHS&amp;T) Committee oversees the following: environmental performance, health, safety, community, corporate citizenship, social responsibility, public policy, climate, and science and technology.</p>

### 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	<p>The Board is responsible for overseeing the ESG priorities of the Company, including forest-related issues. At each Board meeting, the Board receives updates from management and actively engages with respect to progress on ESG related priorities. Dow held six Board meetings and the Committees of the Board collectively held 27 meetings for a total of 33 meetings in 2021 during which ESG topics were discussed.</p> <p>The EHS&amp;T Committee of the Board oversees strategy and action plans developed by Dow's Executive Leadership Team that include forest-related issues.</p> <p>Example of a forest-related decision/update to the CEO: In 2021, we launched the Yba project that has the objective to generate social development through the forest preservation in Breu Branco, Brazil. The project is receiving an investment of \$200,000 USD from Dow's Business Impact Fund grant. In collaboration with the Peabiru Institute, this project mapped the species with commercial potential in our 38K hectares of preserved forest and is develop a local cooperative that will harvest sustainably and sell them to the cosmetic industry. We also are collaborating with The Nature Conservancy (TNC) to measure the environmental services offered to the community through Dow's preserved areas. This project was featured on Dow's ESG report.</p>

### F4.1d

**(F4.1d) Does your organization have at least one board member with competence on forests-related issues?**

Row 1

**Board member(s) have competence on forests-related issues**

Yes

**Criteria used to assess competence on forests-related issues**

In alignment with the Task Force on Climate-related Financial Disclosure (TCFD), Dow has assessed each of its Director’s professional experience (including other board memberships which result in the command of the relevant subject matter) and education, board-level accountability, frequency and structure of review of the relevant subject matter, and substantive information provided from internal and external subject matter experts.

Based on the 2021 assessment of Director nominees for the 2022 Proxy Statement, Dow determined that four out of Dow’s twelve Directors, or 33%, possess relevant experience to address Dow’s forest-related risks and opportunities.

## 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	<p>The CEO is ultimately responsible for forest-related issues.</p> <p>The CEO is the highest-ranking position at Dow. The CEO is a member of the Executive Leadership Team, along with the President and Chief Financial Officer, General Counsel and Corporate Secretary, Senior VP of Research &amp; Development and Chief Technology Officer, Business Presidents, Senior VP of Operations, Manufacturing &amp; Engineering, Chief Human Resources and Inclusion Officer, Senior VP of Corporate Development and Chief Information and Digital Officer. For forest related issues, strategy development and communication occurs between the CEO and the President, Performance Materials &amp; Coatings.</p> <p>Example of a forest-related decision update from Business President to the CEO: In 2021 we launched the Yba project that has the objective to generate social development through the forest preservation in Breu Branco, Brazil. The project is receiving an investment of</p>

			\$200,000 USD from Dow’s Business Impact Fund grant. In collaboration with the Peabiru Institute, this project mapped the species with commercial potential in our 38K hectares of preserved forest and is develop a local cooperative that will harvest sustainably and sell them to the cosmetic industry. We also are collaborating with The Nature Conservancy (TNC) to measure the environmental services offered to the community through Dow’s preserved areas.
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### 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	While we do not have incentives specifically for forest related issues, sustainability incentives are provided to all Dow employees through the annual Performance Award. Payouts are determined by measuring actual performance against each metric goal, including progress towards many of our 2025 Sustainability Goals via an Environmental Stewardship index which is part of our World Leading Operations Index metric.

### 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.**

- FLOR\_MG\_Checklist\_Carvão\_Mercado\_versao3.pdf
- Dow-code-of-conduct.pdf

 Forest policy Check List.pdf

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to take action beyond own supply chain to tackle environmental issues</p> <p>Commitment to resolving both social and environmental issues in own operations and supply chain</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Commitment to transparency</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p>	<p>Our forest related policies are reviewed every year including 2021. We have the following requirements from our suppliers to avoid deforestation and illegal sourcing. We reinforce these requirements through our audit program with onsite visits to all suppliers.</p> <p>Harvest Declaration for Charcoal Production - DCF digitally signed through SEI</p> <p>Print showing the DCF balance in CAF-SIAM</p> <p>Certificate of Regularity in the CTF-APP (IBAMA) of the person responsible for the DCF</p> <p>Certificate of State Registration (IEF) of the person responsible for the DCF. When expired, submit DAE and respective proof of payment for the renewal</p> <p>Certificate of Enrollment in the Rural Environmental Registry (CAR), of the property where the forest and UPC are located</p> <p>Environmental License of the enterprise contemplating the activities of silviculture and charcoal production</p> <p>If the Environmental License contains a volume greater than 50,000 mdc/year, present evidence compliance with the obligations imposed by DN COPAM 227/18</p> <p>DAE of the forestry fee and respective proof of payment</p> <p>DAE of the office fee and respective proof of payment, only for DCF</p> <p>Entire registration certificate (valid for 1 year) where the UPC is located, if applicable different from the location of the plantation, present the registration of where the forest is located</p> <p>If the DCF operator is not the owner shown on the registration, present contractual document that binds the owner to the explorer</p> <p>Invoice for the purchase of wood: it is applicable in the case of a supply purchased from producers who are not the owners of the exploration area</p> <p>Certificate of Rural Property Registration (CCIR) and NIRF/ITR certificate</p> <p>Planting Registration Form digitally signed through SEI</p> <p>Letter of approval of the Planting Registry, digitally signed by the IEF analyst</p> <p>Our Code of Conduct is Dow's guide to Company policies and legal requirements that govern how we conduct business around the world.</p> <p>Investigation and response: The Company takes seriously and fully investigates all known potential legal</p>

			or Code violations. Relevant subject matter experts assigned by the Office of Ethics and Compliance conduct the investigations. Investigations are conducted in a way that is respectful, confidential and fair. If the investigation substantiates an allegation, an appropriate management team will review the findings and determine the outcome.
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### 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
Timber products	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation 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 take action beyond own supply chain to tackle environmental issues	Our forest related policies are reviewed every year including 2021. We have the following requirements from our suppliers to avoid deforestation and illegal sourcing. We reinforce these requirements through our audit program. Audits are performance bi-monthly by our natural resources technical team to review the following documents. Compliance is verified on site in accordance with Brazilian legislation. Harvest Declaration for Charcoal Production - DCF digitally signed through SEI Print showing the DCF balance in CAF-SIAM Certificate of Regularity in the CTF-APP (IBAMA) of the person responsible for the DCF Certificate of State Registration (IEF) of the person responsible for the DCF. When expired, submit DAE and respective proof of payment for the renewal Certificate of Enrollment in the Rural Environmental Registry (CAR), of the property where the forest and UPC are located



			<p>Commitment to resolving both social and environmental issues in own operations and supply chain</p> <p>Commitment to stakeholder awareness and engagement</p> <p>Commitment to align with the SDGs</p> <p>Recognition of the overall importance of forests and other natural ecosystems</p> <p>List of timebound commitments and targets</p>	<p>Environmental License of the enterprise contemplating the activities of silviculture and charcoal production</p> <p>If the Environmental License contains a volume greater than 50,000 mdc/year, present evidence compliance with the obligations imposed by DN COPAM 227/18 DAE of the forestry fee and respective proof of payment</p> <p>DAE of the office fee and respective proof of payment, only for DCF</p> <p>Entire registration certificate (valid for 1 year) where the UPC is located, if applicable different from the location of the plantation, present the registration of where the forest is located</p> <p>If the DCF operator is not the owner shown on the registration, present contractual document that binds the owner to the explorer</p> <p>Invoice for the purchase of wood: it is applicable in the case of a supply purchased from producers who are not the owners of the exploration area</p> <p>Certificate of Rural Property Registration (CCIR) and NIRF/ITR certificate</p> <p>Planting Registration Form digitally signed through SEI</p> <p>Letter of approval of the Planting Registry, digitally signed by the IEF analyst</p>
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## 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, Task Force on Climate-related Financial Disclosures (TCFD) and Nature Related Financial Disclosures (TNFD)

## F4.6b

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

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### 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 Dow's Supplier 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 Dow's Supplier Code of Conduct, 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. In June 2022, the Company published an update to Dow's Supplier Code of Conduct that more clearly defines expectations for suppliers as well as best practices that align with the Company's ESG priorities. The requirements of Dow's Supplier Code of Conduct 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. Beginning in 2022, ESG criteria will be used for all sourcing decisions and will encompass more than 20,000 suppliers.

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### 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 (NOD), Forbes, PEOPLE Magazine, Economic Dividends for Gender Equality (EDGE), on the Financial Times, and was named to JUST 100 for the 3rd year in a row.

Dow's 2021 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 materials science, Dow recognizes engagement of small & diverse suppliers maximizes bottom-line value, drives innovation and supports economic growth. Dow's supplier diversity program focuses on identifying and building relationships and growing spend with enterprises owned by minorities, women, veterans, LGBTQ+ and disabled persons as well as certified small businesses. In 2021, 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.

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**Forest risk commodity**

Timber products

**Criteria**

Operations are in accordance with the UN Declaration on the Rights of Indigenous Peoples

**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 Dow’s Supplier Code of Conduct, 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	Please explain
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		horizon (years)	
Long-term business objectives	Yes, forests-related issues are integrated	21-30	<p>The challenges that we face as a society are interconnected: climate change, social inequity, waste in our oceans, declining biodiversity, and the need for clean water and air.</p> <p>Dow applies a business decision process that values nature and natural capital through projects that are good for the company and ecosystems. We consider nature in the decision-making across our global business helping companies understand the benefits that nature can have to the bottom line. By 2025, Dow will deliver \$1B in Net Present Value (NPV) through projects that enhance nature.</p> <p>By 2030, Dow will reduce its net annual Scope 1 and 2 carbon emissions by 5 million metric tons vs. its 2020 baseline (15% reduction). By 2050, Dow intends to be carbon neutral (Scope 1 + 2 + 3 plus product benefits). For forest we have the following objectives:</p> <ul style="list-style-type: none"> <li>-No sourcing of illegally produced and/or traded forest risk commodities</li> <li>-No deforestation or conversion of natural ecosystems on our direct operations</li> <li>-Promote ecosystem restoration and/or conservation in our direct operations</li> <li>-Increasing the sustainable production and/or consumption of forest risk commodities</li> <li>-Increase FSC Certification to 70% by 2025 and 100% by 2030.</li> </ul> <p>As part of our sustainability and risk mitigation strategy we aim to have 100% of our charcoal and woodchips suppliers compliant with the Brazilian legislation and we require the documents: Certificado de Cadastro de Imóvel Rural–CCIR, Cadastro Ambiental Rural–CAR, Licença Ambiental Rural-LAR, 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. We have a bi-monthly audit process, performed by our natural resources technical team, to review the documents and in person verification of compliance. Also, aiming to reduce the risks related to wood commodities, we have been requesting FSC (Forest Stewardship Council) certification to our suppliers and we target 70% of all suppliers to be certified by 2025 and 100% by 2030. As part of the strategy implementation on ecosystem restoration and</p>

			<p>preservation we started the implemented in 2021 of the Yba project. In partnership with Natura, Peabiru Institute and TNC, we are promoting social development to local Amazonian communities and forest presentation by helping them to develop a new bioeconomy project and access the personal care market.</p>
<p>Strategy for long-term objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>21-30</p>	<p>Dow supports 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. Dow applies a business decision process that values nature and natural capital through projects that are good for the company and ecosystems. For materials from forests, we analyse on a 14yr eucalyptus plantation cycle (7yrs X 2), structuring contracts and business models to guarantee availability and competitiveness of woodchips and charcoal to the Silicon Metal operations we have. We evaluate eucalyptus plantation investments in the market (IBÁ report) and the timber consumption market trends. Based on the availability and price assumptions we define the supply matrix 10yr and 15yr plan. We have the following objectives: No sourcing of illegally produced and/or traded forest risk commodities; No deforestation or conversion of natural ecosystems on our direct operations; Promote ecosystem restoration and/or conservation in our direct operations; Increasing the sustainable production and/or consumption of forest risk commodities; Increase FSC Certification to 70% by 2025 and 100% by 2030.</p> <p>We require 100% of our charcoal and woodchip suppliers to be compliance with the Brazilian legislation and require the following documents: Certificado de Cadastro de Imóvel Rural-CCIR, Cadastro Ambiental Rural-CAR, Licença Ambiental Rural-LAR, 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. We have a bi-monthly audit process, performed by our natural resources technical team, to review the documents and in person verification of compliance. We are aiming to reduce the risks related to wood commodities so we have been requesting out suppliers to obtain FSC (Forest Stewardship Council) certification with targets to achieve 70% of suppliers by 2025 and 100% of suppliers by 2030. As part of Dow's Valuing Nature goal, we began implementation of Project Yba in 2021. In partnership with Natura, Peabiru Institute and The Nature Conservancy (TNC), we are promoting</p>

			social development to local Amazonian communities and forest presentation by helping them to develop a new bioeconomy project and access the personal care market.
Financial planning	Yes, forests-related issues are integrated	21-30	<p>Our forest strategy is directly connected with our climate and path to zero strategies and valuing nature goals. We are intensifying our actions to reduce global carbon emissions and achieve a carbon-neutral Dow by 2050, demonstrated by our commitment to reduce our net annual Scope 1 and 2 carbon emissions by 5 million metric tons by 2030 compared to our 2020 baseline. Reflecting our focus to make meaningful progress in the near term, we will reduce CO2 emissions by approximately 2 million metric tons per year while growing underlying earnings by an estimated \$2 billion by 2025.</p> <p>As part of the financial plans for 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. For our farms that includes eucalyptus plantation estimated costs, harvesting and maintenance. We also consider the yearly investment of 360K USD of our compliance/audit program. We also consider on the investments plan social and ecosystem protection projects such as the YBA project where we invested so far 200K USD.</p> <p>Two other examples of action taken because of the financial strategy connected to our forest related sustainability strategy is the investment on a new carbonization plant in Para and our supply strategy change for Minas Gerais by replacing the contracts model with local farms in Minas Gerais (Fomentos). Also, as of 2021, Dow has screened 100% of capital project &gt; \$10 million and realized a net present value of \$106 million from projects that enhance nature, bringing the total of \$637 million since goal launch. The Ecosystem Services Identification &amp; Inventory Tool (ESII) tool was developed with The Nature Conservancy (TNC) and Ecometrix Solution group to assess ecosystem services rapidly and cost-effectively to identify and incorporate the value of nature into business decision-making.</p>



## 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.**

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**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**

**Third-party certification scheme**

**Start year**

2019

**Target year**

2022

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

100

**Please explain**

To avoid any production disruption, reputational risk, social or environmental impact, our suppliers and owned lands need to be compliant with local Brazilian legislation and with the Dow Supplier Code of Conduct. We have an annual audit process where our natural resources technical team complete bi-monthly field verifications and review suppliers according to our requirements which are aligned with environment and labor legislations. In 2021, we visited/audited 100% of our active suppliers. We also included an external company to support our compliance review audits in Minas Gerais where there is a complex supply chain. Supplier's land 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 provided to the local Secretariat of the Environment. Additionally, to ensure that the wood commodity production does not violate the local legislation by verifying activities align to the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita-DCC on Pará).

We expect all global suppliers to be compliant with local regulations and Dow's Supplier Code of Conduct. We maintain Dow's Supplier Code of Conduct regularly by 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. Requirements of Dow's Supplier Code of Conduct are included in new supplier contracts and existing supplier contracts are updated as changes occur.

In 2020 we launched a Sustainable Procurement Strategy, which continued throughout 2021. This strategy defines a concrete roadmap enabling 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 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**

**Third-party certification scheme**

FSC Forest Management certification

**Start year**

2019

**Target year**

2021

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

100

**Please explain**

Dow owns a total of 45k hectares land in the Pará state, in Brazil. Our operation in Pará was ISO 14001 certified in the past and we concluded that it would be more aligned with the business' goals to have the FSC (Forest Stewardship Council) certification. The Para operation was selected for this target because it represents 83% of the total land owned by Dow for timber products production. The objective was to certify the eucalyptus plantation and harvesting used on our carbonization plant. To be certified we were audited. Dow was able to prove the sustainability practices of our operations were in alignment with FSC principles such as compliance with Brazilian legislation, appropriate management plan for the forest, respect to workers' rights and community and conservation of biodiversity and ecosystems. Dow has maintained its certification since 2019 and it was renewed in 2021 by the third party Imaflorea.

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**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**

**Third-party certification scheme**

FSC Forest Management certification

**Start year**

2019

**Target year**

2030

**Quantitative metric**

**Target (number)**

**Target (%)**

100

**% of target achieved**

34

**Please explain**

We are working with suppliers and the Dow purchasing team to have 100% of charcoal and woodchips purchased in the Brazilian operations FSC certified by 2030. FSC certification has been added as a new requirement to be a Dow supplier. This will support our strategy to have charcoal and woodchip suppliers 100% certified. We are also asking our suppliers to complete CDP submissions and are following up on any gaps.

**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

<p>Timber products</p>	<p>Yes</p>	<p>We use our audit process as our traceability system to track the origin of the wood commodities. 100% of our active timber products suppliers were audited in 2021. To avoid any production disruption, compliance and reputational risk, 100% of our charcoal and woodchips suppliers need to be compliant with the follow legislation required documents: Certificado de Cadastro de Imóvel Rural–CCIR, Cadastro Ambiental Rural–CAR, Licença Ambiental Rural-LAR, 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. We complete bi-monthly audits, performed by our natural resources technical team, who review documentation and have in-person supplier verification meetings to ensure compliance with Brazilian legislation. Also, aiming to reduce the risks related to wood commodities, we have a strategy to increase the overall Forest Stewardship Council (FSC) certification to 100% by 2030. In 2021, at Pará, our charcoal operation, 72% of the charcoal purchased from market were FSC certified. For Minas Gerais, 46% of the charcoal purchased from the market is FSC certified.</p> <p>In 2014, a forest risk matrix was developed with an external consultant where we identified the main risks: what can generate supply disruption, noncompliance, social, environmental and reputational impacts. Since 2014, the risk matrix has been updated annually, based on probability and impact potential, and numerous actions were taken to address risks. Example actions included: increasing FSC certifications, supplier's improvement programs and audit program implementation. In 2016, we incorporated, in Minas Gerais, Brazil the “Fomentos” (small farmers) contracts as part of Dow Corning ownership restructure. We worked on a detailed risk assessment and in 2019 we reformulated the compliance program that is still active today. We have a technical team that visits farmers bi-monthly to guide them on best technical practices and conduct compliance audits. A compliance program leader tracks monthly actions identified during the audit. 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 included additional elements in our annual audit program and these were first used in 2019 and also continue currently.</p>	<p>Not applicable</p>
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## 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	34

## 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 Forest Management certification

**Chain-of-custody model used**

**% of total production/consumption volume certified**

34

**Form of commodity**

Sawn timber, veneer, chips

Other, please specify

Charcoal

**Volume of production/ consumption certified**

91,066

**Metric for volume**

Metric tons

**Is this certified by more than one scheme?**

No

**Please explain**

Forests used for our charcoal operation are FSC certified. The charcoal and woodchips purchased in the market are partially certified but all suppliers are audited by our technical team. We are working with suppliers and purchasing team to have 100% of charcoal and woodchips purchased in the Brazilian operations FSC certified by 2030. In 2021 a clause in the contracts for new suppliers has been added to include FSC requirements to be a Dow supplier. We are also working with historical supply contracts as well to include this language. By doing this we plan to have charcoal and woodchips 100% certified. In 2021, the amount of charcoal purchased from the market that is FSC certified at 72% for our Para site and 46% for our Minas Gerais site.

**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	
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments

**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**

Suppliers need to be compliant with the follow legislated documents: Certificado de Cadastro de Imóvel Rural–CCIR, Cadastro Ambiental Rural–CAR, Licença Ambiental Rural-LAR, 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. We complete bi-monthly audits, reviewing documentation and in-person supplier verification meetings to ensure compliance with Brazilian legislation. In 2021, 100% of our active timber commodities suppliers were audited. A compliance program leader tracks monthly actions identified during the audit. Also, aiming to increase compliance thought a third-party verification, we have the strategy to increase the FSC (Forest Stewardship Council) certification to100% by 2030. If a supplier is not complaint, the

supply relationship is suspended until improvements are made, including adequate monitoring and verification.

**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 suppliers per our audit compliance program. A check list to verify requirements such as documentation, workers safety and environmental compliance is used to generate an evaluation report. Depending on the deviation we may suspend supplier orders and/or establish action plans. These action plans accomplish:

- Problem identification
- Key actions needed to bring supplier back to compliance
- Setting deadlines
- Responsible team

Regular meetings are set verify the action plan implementation.

If the deviation is related to documentation out of compliance such as Certificado de Cadastro de Imóvel Rural – CCIR , Cadastro Ambiental Rural - CAR and Licença Ambiental Rural – LAR , the supply relationship is suspended until improvements including adequate monitoring and verification have occurred. To ensure that all suppliers are in compliance and track metrics, monthly meetings are held with the supplier.

**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.**

	<b>Do you collect data regarding compliance with the Brazilian Forest Code?</b>	<b>Please explain</b>
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 Dow suppliers and Dow owned land. The compliance is verified and



		<p>reinforced through our audit process, which is based on monthly documentation reviews and in person verification of suppliers according to our check list that considers requirements aligned with local legislation of Brazil. In 2021, we visited/audited 100% of our active suppliers. We also included an external company to support our compliance review audits in Minas Gerais where there is a complex supply chain. Supplier’s land 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 provided to the local Secretariat of the Environment. Additionally, to ensure that the wood commodity production does not violate the local legislation by verifying activities align to the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita–DCC on Pará).</p>
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## 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

100%

### Please explain

In the same way we request the documentation from our suppliers, we ensure Dow owned/manage areas have this documentation as well – all verified by audit processes and tools. As part of our documentation verification, we must be compliant with 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 audit procedure, the presence of Legal Reserve and/or Permanent Protected Area (APP) is ensured.

Satellite image analysis is also performed to measure and monitor area conferences, we currently use tools such as QGIS software and Google Earth. We complete temporal analyses, from which we verify the dynamics of land use (planting time, harvest, preserved areas, among other points).

In 2021 drone images were also taken at all Dow farms for measuring information

associated with land tenure regularization, CAR rectification, fragmentation of productive areas and support for data associated with property security.

**Forest risk commodity**

Timber products

**KPIs**

% of owned and/or managed properties with no gross deforestation after July 2008

**Performance against indicators**

100%

**Please explain**

In the same way we request the documentation from our suppliers, we ensure Dow owned/manage areas have this documentation as well – all verified by audit processes and tools. As part of our documentation verification, we must be compliant with 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 audit procedure, the presence of Legal Reserve and/or Permanent Protected Area (APP) is ensured.

Satellite image analysis is also performed to measure and monitor area conferences, we currently use tools such as QGIS software and Google Earth. We complete temporal analyses, from which we verify the dynamics of land use (planting time, harvest, preserved areas, among other points).

In 2021 drone images were also taken at all Dow farms for measuring information associated with land tenure regularization, CAR rectification, fragmentation of productive areas and support for data associated with property security.

**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**

In the same way we request the documentation from our suppliers, we ensure Dow owned/manage areas have this documentation as well – all verified by audit processes

and tools. As part of our documentation verification, we must be compliant with 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 audit procedure, the presence of Legal Reserve and/or Permanent Protected Area (APP) is ensured.

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 (Permanent Preservation Areas) and Legal Reserve prohibited by the cut

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 technician responsible for validating the markings is that the project is authorized to be started. If map updating is found to be required, it is carried out. This is the standard in Minas Gerais and the mapping of Permanent Preservation Areas (APPs) and Legal Reserve (RL) is carried out for Fazendas da Zona da Mata. The mapping took place in 2019 with updates in 2020 and in 2021 using imaging with an unmanned aerial vehicle (UAV). The main outcomes were the exact location of springs; perennial water holes and perennial streams and intermittent and their respective APPs; and exact location of the areas destined to the RL. It gave an even more precise information if areas identified as APPs 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 RL are in accordance with the CAR (environmental register rural).

### **Forest risk commodity**

Timber products

### **KPIs**

% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status

### **Performance against indicators**

100%

### **Please explain**

In the same way we request the documentation from our suppliers, we ensure Dow owned/manage areas have this documentation as well – all verified by audit processes and tools. As part of our documentation verification, we must be compliant with 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 audit 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. 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 (Permanent Preservation Areas) and Legal Reserve prohibited by the cut

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 technician responsible for validating the markings is that the project is authorized to be started. If map updating is found to be required, it is carried out. This is the standard in Minas Gerais and the mapping of Permanent Preservation Areas (APPs) and Legal Reserve (RL) is carried out for Fazendas da Zona da Mata. The mapping took place in 2019 with updates in 2020 and in 2021 using imaging with an unmanned aerial vehicle (UAV). The main outcomes were the exact location of springs; perennial water holes and perennial streams and intermittent and their respective APPs; and exact location of the areas destined to the RL. It gave an even more precise information if areas identified as APPs 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 RL 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
Timber products	Yes, from both suppliers and owned/managed land

## F6.6a

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

### Timber products

#### Procedure to ensure legal compliance

Dow audits for compliance starting with our purchasing team verifying our supplier's adherence to Dow's Supplier Code of Conduct and reviewing the supply contracts. In field verification occurs 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 provided to the local Secretariat of the Environment. Additionally, to ensure that the wood commodity production does not violate the local legislation by verifying activities align to the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita–DCC on Pará). In order to ensure that our process is in accordance to the local regulations, our regulatory team maintains awareness of changes in the Brazilian Forest Code and we contract a third-party consultant to communicate changes in this code as well.

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 (Permanent Preservation Areas) and Legal Reserve prohibited by the cut

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 technician responsible for validating the markings is that the project is authorized to be started. If map updating is found to be required, it is carried out. This is the standard in Minas Gerais and the mapping of Permanent Preservation Areas (APPs) and Legal Reserve (RL) is carried out for Fazendas da Zona da Mata. The mapping took place in 2019 with updates in 2020 and in 2021 using 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	Smallholder engagement approach	Number of smallholders engaged	Please explain
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		engagement approach			
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier audits Offering on-site technical assistance and extension services Providing agricultural inputs	511	In 2016, Dow acquired the "Fomentos" contracts in the Minas Gerais state . In 2018 we worked on a detailed risk assessment, and in 2019 we structured a compliance program. This program continued to be in place in 2021. Our technical team, as part of our natural resources structure, visits the farmers bi-monthly to guide them on best technical practices and to conduct compliance audits. Our compliance program leader tracks the outstanding actions and audits via a checklist monthly. We invite the Cadastro Ambiental Rural-CAR to the "Fomentos" and in 2021, in person visits were completed to validate the information around the APP (area de preservacao permanente).

### 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	Supply chain mapping	Supplier audits	100%	As a key program to develop our suppliers associated with

	<p>direct suppliers</p>	<p>Capacity building</p>	<p>Offering on-site training and technical assistance Organizing capacity building events</p>	<p>our Pará and Minas Gerais sites, we regularly provide compliance, diversity and inclusion, and technical audit trainings with suppliers. Monthly we review documentation and perform in-field verification. In 2021, 100% of our timber related products suppliers were visited, a total of 31. We ensure regulations are being followed related to use of timber, such as the Certificado de Cadastro de Imóvel Rural – CCIR, the Cadastro Ambiental Rural - CAR and the Licença Ambiental Rural - LAR. We confirm all timber activities align to the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita – DCC on Pará). When we send the mandatory information to our suppliers for the DCF, we also send a KML with details of land use and occupation. With this the supplier can locate properties in the cutting area and avoid any accidental cuts at APPs or Legal Reserved Areas. In case of non-compliance with our requirements, the purchasing team contacts the supplier to notify them and works with the supplier to implement an action plan to correct it. Through our Dow’s Supplier 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</p>
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				<p>review and refresh Dow’s Supplier Code of Conduct, 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 Dow’s Supplier Code of Conduct are built into all new and existing supplier contracts, to ensure they are contractually enforceable.</p> <p>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, in 2021, Dow held supplier events for Diversity &amp; Inclusion and an event focused on sustainability and our expectations from suppliers.</p>
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## 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	Supply chain mapping	Supplier audits Offering on-site training and	In the case of Minas Gerais, our engagement with the Fomentos (small farms) represents our work beyond the



	beyond first tier	Capacity building	technical assistance Other, please specify Providing Agriculture Inputs	first-tier suppliers. The Fomentos supply the wood to our charcoal suppliers (Tier 1). They supply the eucalyptus that is converted in charcoal and supplied to Dow. This represents 30-40% of Charcoal consumption in Minas Gerais. In 2016, Dow acquired the "Fomentos" contracts in Minas Gerais state only. In 2018 we worked on a detailed risk assessment and in 2019 we structured a compliance program. This program continued to be in place in 2021. We have a technical team as part of our natural resources structure that visits different farmers bi-monthly to guide them on best technical practices and conduct compliance audits.
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### F6.10

**(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?**

Do you engage in landscape/jurisdictional approaches?	
Row 1	Yes, we engage in landscape/ jurisdictional approaches

### F6.10a

**(F6.10a) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.**

	Criteria for prioritizing landscapes/jurisdictions for engagement	Please explain
Row 1	Company actions align with already established jurisdictional and/or landscape initiative priorities in area Opportunity for increased human well-being in area Risk of deforestation/conversion Risk of labor rights issues Risk of supplier non-compliance in area	-Para and Minas Gerais, where we have our operations and consume the commodities. have established jurisdictional and/or landscape initiatives. -In alignment to our corporate citizenship strategy is the opportunity for increased human well-being in area. An example of managing the risk of deforestation/conversion: As part of the Consumer Solutions back integration strategy we have our operations in Pará-Brazil where Dow owns a total of 45K hectares of land (half the size of New York City). 20% of these acres are a Eucalyptus plantation used on our operations, and 80% is preserved native Amazon Forest. Our presence in

	<p>Supply of commodities strategically important</p>	<p>this region and ownership of this area has proven to be a major factor for the forest and local biodiversity preservation. We are located at the Belém Endemism Center, one of the most threatened regions in the Amazon biome: about 70% of its Amazon forests have already been cleared to make way for cities and low-productivity agriculture. These economic activities have not been able to bring human development to the region and have also put at risk several species that do not occur anywhere else on the planet. The 128 municipalities that make up this region are characterized by low Human Development Indexes (HDI) and high Inequality Indexes (Gini). In other words, the challenges are immense regarding the need to develop productive activities that combine the protection and recovery of natural capital. (Source: Conservation International).</p> <ul style="list-style-type: none"> <li>- Risk of labor rights issues and supplier non-compliance exist in our operational locations.</li> <li>- The supply of commodities that are strategically important are woodchips and charcoal.</li> </ul>
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## F6.10b

**(F6.10b) Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year.**

### Country/Area

Brazil

### Name of jurisdiction or landscape area

Pará and Minas Gerais

### Is the landscape defined by administrative boundaries of sub-national governments and does the approach have active government involvement?

The landscape is defined by administrative boundaries, but the approach does not have active government involvement

### Brief description of landscape/ jurisdictional approach

In 2021 we launched Project Ybá, a Dow initiative in collaboration with the Peabiru Institute, The Nature Conservancy (TNC) and the Customer Natura. It aims to develop a local cooperative, which will sell the bioactive products from Dow’s preserved areas of the Amazon Rainforest, and to increase family incomes in the community while conserving the rainforest.

Dow owns the preserved forest and is investing \$200K USD. Natura will help the local cooperative, with guidance from Peabiru, to develop the processes and technical capabilities needed to supply sustainable extraction of bioactive products to the market.

Natura will also contribute with its expertise in the technical evaluation of the bioactives which will be identified through the mapping of local biodiversity in Dow's preserved native Amazon forests.

In 2021, Dow and our project partners:

- Completed biodiversity mapping of Dow's preserve to evaluate its potential as a source for bioactives. A survey found 17 species of commercial interest identified on the land. Of particular interest to Natura was andiroba.
- Completed 22 social field visits to identify a local community as a commercial partner for the cooperative. Mamorana community was selected. Dow, Peabiru and Natura will develop the local cooperative to harvest and sell bioactives. Once the commercial cooperative is fully trained and organized, it is estimated that up to 150 families will benefit from Project Ybá's sustainable commerce.

### **Forest risk commodities relevant to this landscape/jurisdictional approach**

Timber products

#### **Type of engagement**

Convener: High level of engagement in set-up, design, management and implementation

Partner: Shared responsibility in the implementation of multiple goals

Supporter: Implement activities to support at least one goal

Funder: Provides full or partial financial support

#### **Description of engagement**

Project Ybá is a collaboration with the Peabiru Institute, The Nature Conservancy and the Customer Natura, to develop a local cooperative, for selling bioactive products from Dow's preserved areas, and increasing community incomes while preserving the Amazon Rainforest. Commercial collaborator Natura will help the formation of the cooperative with guidance from the Peabiru. The team completed biodiversity mapping to evaluate source potential for bioactives -finding 17 species on the land - and completed 22 social field visits to identify local community commercial partners. Supported by Dow, the Peabiru Institute will train the cooperative to harvest and sell bioactives. Once in place, it is estimated that up to 150 families will benefit from Project Ybá's sustainable commerce. We provide compliance, diversity & inclusion and technical audit supplier training. Monthly, we audit Pará and Minas Gerais using documentation reviews and in field visits. Documents reviewed for use of timber land include Certificado de Cadastro de Imóvel Rural-CCIR, Cadastro Ambiental Rural-CAR and Licença Ambiental Rural-LAR. All timber needs to be aligned to a cutting declaration Declaração de Corte de Floresta - DCF or Declaração de Corte e Colheita-DCC. If found out of compliance, the purchasing team contacts the supplier to implement an action plan.

#### **Goals supported by engagement**

Avoided deforestation/conversion of other natural ecosystems

High producer engagement within landscape/jurisdiction

Improved business models that enable inclusion

Increased adoption of sustainable production practices

### **Company actions supporting approach**

- Support additional/alternative livelihood activities and practices that reduce pressure on forests
- Support landscape restoration and long-term protection

### **Implementation partner(s)**

In 2021 we launched Project Ybá, a Dow initiative in collaboration with the Peabiru Institute, The Nature Conservancy (TNC) and the Customer Natura. It aims to develop a local cooperative, which will sell the bioactive products from Dow's preserved areas of the Amazon Rainforest, and to increase family incomes in the community while conserving the rainforest.

As the first commercial collaborator of this project, Natura will help the local cooperative, develop the processes and technical capabilities needed to supply sustainable extraction of bioactive products to the market. Natura will also contribute to the technical evaluation of the bioactives which will be identified through the mapping of local biodiversity in Dow's preserved native Amazon forests.

In 2021, Dow and our project partners:

- Completed biodiversity mapping of Dow's preserve to evaluate its potential as a source for bioactives. A survey found 17 species of commercial interest identified on the land. Of particular interest to Natura was andiroba, a tropical tree that usually produces 180 to 200 kilograms of seeds per plant each year. Approximately 60% of their weight is oil.
- Completed 22 social field visits to identify a local community as a commercial partner for the cooperative. Supported by Dow, the Peabiru Institute will develop and train a local cooperative to harvest and sell bioactives. It is estimated that up to 150 families will benefit from Project Ybá's sustainable commerce.

### **Engagement start year**

2,020

### **Engagement end year**

Not defined

### **Total investment over the project period (currency)**

230,000

### **Details of your investment**

The investment is been used for the biodiversity and social mapping, ecosystem services quantification and the project implementation.

Biodiversity Mapping done by Peabiru - USD \$40K:

- Define the number of species of interest within Dow's 34K hectares
- Comprehensive and detailed information with location of individuals

Ecosystem Services Quantification to be done by EcoMetrix and TNC - \$30K USD:

- Ecosystem Services quantification and benefits of biodiversity and forest preservation
- Benefits that are non-market based but will have an indirect positive impact for Dow which influences the overall ROI of this project

Social Mapping done by Peabiru - \$30K USD:

- Detailed characteristics of the local population and families that would be engaged for the cooperative and impacted by the project

- Quantify social development impact
- Project Implementation to be done by Dow, Peabiru and Natura - \$130K USD:
- Develop, organize and structure local cooperative;
  - Track the progress and measure the deliverables
  - Support cooperative technical development in partnership with Natura
  - Lead supply development with Community

**Type of assessment framework**

Specific initiative defined framework

**Is progress monitored and publicly reported on?**

Yes, progress is monitored and publicly reported on

**State the achievements of your engagement so far, and how progress is monitored**

In 2021, Dow and our project partners:

- Completed biodiversity mapping of Dow's preserve to evaluate its potential as a source for bioactives. A survey found 17 species of commercial interest identified on the land. Of particular interest to Natura was andiroba, a tropical tree that usually produces 180 to 200 kilograms of seeds per plant each year. Approximately 60% of their weight is oil. Andiroba seed oil is used in the pharmaceutical and cosmetics industry because of its analgesic, antibacterial, anti-inflammatory, antifungal ability and anti-allergic properties.
- Completed 22 social field visits to identify a local community as a commercial partner for the cooperative. Supported by Dow, the Peabiru Institute will develop and train a local cooperative to harvest and sell bioactives. Once the commercial cooperative is fully trained and organized, it is estimated that up to 150 families will benefit from Project Ybá's sustainable commerce.

The progress has been published on our 2021 ESG report:

<https://corporate.dow.com/en-us/esg/report.html>.

## F6.11

**(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?**

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**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Other, please specify

Global

**Subnational area**

Not applicable

**Initiatives**

WBCSD Forests Solutions Group

**Please explain**

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. Specifically in Brazil, in 2021, Dow joined CEBDS, Brazilian partner of the World Business Council for Sustainable Development (WBCSD). Dow actively participate on the Climate and Biodiversity tracks and because of the 2021 engagement in 2022 we are joining the Brazilian Business Commitment to Biodiversity. Dow committed and have been working towards:

- Integrate the topic of biodiversity in the company's business strategy.
- Promote and strengthen best practices that stimulate the rational use of biodiversity resources.
- Develop and encourage studies, research projects, technology and innovation that contribute to the conservation of biodiversity and ecosystem services.
- Make public the information collected in order to collaborate with the management of the biodiversity of the region and provide transparency to society.
- Enhance conservation and recovery actions in the regions where the company is inserted, seeking a net positive impact on biodiversity.
- Engage the communities located in the regions where the company operates in order to strengthen the involvement with the conservation of biodiversity and maintenance of ecosystem services.

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in multi-partnership or stakeholder initiatives

**Country/Area**

Other, please specify

Global

**Subnational area**

Not applicable

**Initiatives**

UN Global Compact

### 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; Dow is a committed signatory with UNGC and has been for over ten years. We are committed to the 10 principles and that we progress against these each year via our communication of progress – our annual ESG Report. . Dow’s alignment to U.N. Sustainable Development Goals defines our commitment. Our three focus areas of Climate Protection, Circular Economy and Safer Materials are well-aligned to drive measurable reductions in our impacts. Dow also has opportunities to enhance biodiversity with the rivers we interact with, the lands we own, the communities we operate in and the innovative products we offer.

### Forest risk commodity

Timber products

### Do you participate in activities/initiatives?

Yes

### Activities

Involved in multi-partnership or stakeholder initiatives

### Country/Area

Other, please specify  
Global

### Subnational area

Not applicable

### Initiatives

Other, please specify  
Plataforma Parceiros pela Amazônia (PPA)

### Please explain

Plataforma Parceiros pela Amazônia (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 45 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 ~\$960K USD invested in impact businesses in 2019 and more than 15 million hectares with improved management due to PPA partner’s action. Dow has an active participation with the working group for markets. Participation includes having a member as part of the strategic committee, presenting best practice projects and having participated on the PPA Acceleration Program, which offers investments and support for the development of entrepreneurs, start-ups, community-based businesses and organizations at an early

stage that aim to solve the most urgent social and environmental problems in the Amazon region.

This participation relates to our engagement with landscape/jurisdictional approaches to sustainable land use in Para and also the following forest related business objectives:

- No deforestation or conversion of natural ecosystems
- Promote ecosystem restoration and/or conservation in our direct operations

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### **Forest risk commodity**

Timber products

### **Do you participate in activities/initiatives?**

Yes

### **Activities**

Involved in multi-partnership or stakeholder initiatives

### **Country/Area**

Other, please specify

Global

### **Subnational area**

Not applicable

### **Initiatives**

Other, please specify

CEO Water Mandate; Task Force on Climate-related Financial Disclosures (TCFD), ISCC Association Membership, Together for Sustainability (TfS), The Nature Conservancy (TNC)

### **Please explain**

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.



Together for Sustainability (TfS): Engagement with suppliers in a streamlined and strategic way, leverage the work of our industry peers and contributing our own outlook to help improve the sustainability of supply chains.

The Nature Conservancy (TNC): Dow has had over 10 years in partnership with TNC. In 2021, with our TNC partnership, we assessed the potential impact that our global sites may have on areas of significance for biodiversity. We developed a land value assessment tool that can help us make informed decisions by exploring solutions and recommending the best land management strategy.

**Forest risk commodity**

Timber products

**Do you participate in activities/initiatives?**

Yes

**Activities**

Involved in industry platforms

**Country/Area**

Not applicable

**Subnational area**

Not applicable

**Initiatives**

**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 in technical chambers themes such as carbon market/pricing and industry efficiency, and propose best practices.

**F6.12**

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?**

Yes

**F6.12a**

**(F6.12a) 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**

Dow owns a total of 45K hectares, where 20% is Eucalyptus plantation used on our operations and 80% is preserved Amazon Forest. Our presence on this region and ownership of this area has proven to be a major factor for the forest and local biodiversity preservation. We are located at the Belém Endemism Center, a threatened region where 70% of its Amazon forests have been cleared. In 2021 we launched the Yba project that has the objective to generate social development through the forest preservation by 2023. In collaboration with the Peabiru Institute, this project will map the biodiversity of the 38K hectares of preserved forest for bioactive ingredients and develop a local cooperative that will harvest and sell them to the cosmetic industry. We also are collaborating with The Nature Conservancy (TNC) to measure the environmental services offered to the community through Dow's preserved areas. More than 150 families in the region are expected to be benefitted from this project. 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 \$200K) from Dow.

Environmental and social benefits: Protect biodiversity; enhance local economic diversity and growth; demonstrate 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

2021 project results:

- Completed biodiversity mapping of Dow's preserve to evaluate its potential as a source for bioactives. A survey found 17 species of commercial interest identified on the land. Of particular interest to Natura was andiroba, a tropical tree that usually produces 180 to 200 kilograms of seeds per plant each year. Approximately 60% of their weight is oil that is used in the pharmaceutical and cosmetics industry
- Completed 22 social field visits to identify a local community as a commercial partner for the cooperative. Supported by Dow, the Peabiru Institute will develop and train a local cooperative to harvest and sell bioactives.
- Engaged TNC and EcoMetrix Solutions Group to quantify ecosystem services at the preserve using an existing tool developed through Dow's partnership with TNC

**Start year**

2020

**Target year**

2023

**Project area to date (Hectares)**

38,000

**Project area in the target year (Hectares)**

38,000

**Country/Area**

Brazil

**Latitude**

-3.416666

**Longitude**

-49.325

**Monitoring frequency**

Six-monthly or more frequently

**Measured outcomes to date**

Biodiversity

**Please explain**

Dow owns 45k hectares of land in Para— about 80% of which is preserved native Amazon rainforest and about 20% of which is a eucalyptus plantation. In 2021, we launched Project Ybá with support from Dow's Business Impact Fund (BIF). The project has the objective to generate social development through the forest preservation by 2023. In collaboration with the Peabiru Institute, this project will map the biodiversity the 38K hectares of preserved forest for bioactive ingredients and develop a local cooperative that will harvest and sell them to the cosmetic industry. We also are collaborating with The Nature Conservancy (TNC) to measure the environmental services offered to the community through Dow's preserved areas. More than 150 families in the region are expected to be benefitted from this project. 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 ~\$200K USD from Dow.

Environmental and social benefits: Protect biodiversity; enhance local economic diversity and growth; demonstrate 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

2021 project results:

- Completed biodiversity mapping of Dow's preserve to evaluate its potential as a source for bioactives. A survey found 17 species of commercial interest identified on the land. Of particular interest to Natura was andiroba, a tropical tree that usually produces 180 to 200 kilograms of seeds per plant each year. Approximately 60% of their weight is oil. Andiroba seed oil is used in the pharmaceutical and cosmetics industry

- Completed 22 social field visits to identify a local community as a commercial partner for the cooperative. Supported by Dow, the Peabiru Institute will develop and train a local cooperative to harvest and sell bioactives. Once the commercial cooperative is fully trained and organized, it is estimated that up to 150 families will benefit from Project Ybá's sustainable commerce.
- Engaged TNC and EcoMetrix Solutions Group to quantify ecosystem services at the preserve using an existing tool developed through Dow's partnership with TNC.F7. Verification

## 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.**

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#### **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, to mitigate the risks, we intensified our compliance program by bringing more technically capable people to our natural resources team. We also intensified the compliance program through additional field visits and a more structured supplier audit check list which includes an open action follow up process. In 2020, we consolidated even more our program by also bringing an external company to support our compliance agenda and audits. Both of these activities continue into 2021.

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 provided 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 verified (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita - DCC 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.**

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### 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 add cost to the raw materials. To mitigate even more this risk, a greater enforcement of regulation by local government would be key.

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### 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 Supplier 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.**

Dow appreciates the opportunity to report to CDP on our forest-related initiatives. Dow has a long history of leadership in reporting transparency and sustainability disclosures, and we see CDP as a critical report driving transparency on forest-related issues.

#### **Cautionary Statement about Forward-Looking Statements**

Certain statements in this report are “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements often address expected future business and financial performance, financial condition, and other matters, and often contain words or phrases such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “opportunity,” “outlook,” “plan,” “project,” “seek,” “should,” “strategy,” “target,” “will,” “will be,” “will continue,” “will likely result,” “would” and similar expressions, and variations or negatives of these words or phrases.

Forward-looking statements are based on current assumptions and expectations of future events that are subject to risks, uncertainties and other factors that are beyond Dow’s control, which may cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements and speak only as of the date the statements were made. These factors include, but are not limited to: sales of Dow’s products; Dow’s expenses, future revenues and profitability; the continuing global and regional economic impacts of the coronavirus disease 2019 (“COVID-19”) pandemic and other public health-related risks and events on Dow’s business; any sanction, export restrictions, supply chain disruptions or increased economic uncertainty related to the ongoing conflict between Russia and Ukraine; capital requirements and need for and availability of financing; unexpected barriers in the development of technology, including with respect to Dow’s contemplated capital and operating projects; Dow’s ability to realize its commitment to carbon neutrality on the contemplated timeframe; size of the markets for Dow’s products and services and ability to compete in such markets; failure to develop and market new products and optimally manage product life cycles; the rate and degree of market acceptance of Dow’s products; significant litigation and environmental matters and related contingencies and unexpected expenses; the success of competing technologies that are or may become available; the ability to protect Dow’s intellectual property in the United States and abroad; developments related to contemplated restructuring activities and proposed divestitures or acquisitions such as workforce reduction, manufacturing facility and/or asset closure and related exit and disposal activities, and the benefits and costs associated with each of the foregoing; fluctuations in energy and raw material prices; management of process safety and product stewardship; changes in relationships with Dow’s significant customers and suppliers; changes in consumer preferences and demand; changes in laws and regulations, political conditions or industry development; global economic and capital markets conditions, such as inflation, market uncertainty, interest



and currency exchange rates, and equity and commodity prices; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war including the ongoing conflict between Russia and Ukraine; weather events and natural disasters; disruptions in Dow’s information technology networks and systems; and risks related to Dow’s separation from DowDuPont Inc. such as Dow’s obligation to indemnify DuPont de Nemours, Inc. and/or Corteva, Inc. for certain liabilities.

Where, in any forward-looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. A detailed discussion of principal risks and uncertainties which may cause actual results and events to differ materially from such forward-looking statements is included in the section titled “Risk Factors” contained in the company’s Annual Report on Form 10-K for the year ended December 31, 2021 and its subsequent reports on Form 10-Q and Form 8-K. These are not the only risks and uncertainties that Dow faces. There may be other risks and uncertainties that Dow is unable to identify at this time or that Dow does not currently expect to have a material impact on its business. If any of those risks or uncertainties develops into an actual event, it could have a material adverse effect on Dow’s business. Dow assumes no obligation to update or revise publicly any forward-looking statements whether because of new information, future events, or otherwise, except as required by securities and other applicable laws.

## 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	Chairman and Chief Executive Officer	Chief Executive Officer (CEO)