



ntersections

**2022 PROGRESS REPORT
ADVANCING OUR AMBITION**

Executive Summary: A Progress Report on Dow's Ambition

Dow's 2022 Intersections Progress Report on Advancing Our Ambition showcases our ambition and purpose in action. Our environmental, social and governance priorities have always been grounded in Dow's ambition and purpose. Together, each element helps unleash long-term value creation and helps us deliver best-in-class performance.

Released on June 19, 2023, our annual Intersections Report demonstrates how Team Dow positively contributes to both our business performance and a more sustainable world, as we deliver value to our customers, employees, shareholders and communities. Inside the report, you'll find examples of how Team Dow is applying innovation, science, partnership and passion to:

- Advance our commitment to be carbon neutral by 2050
- Improve the circularity and sustainability of the markets we serve
- Cultivate an inclusive, diverse and accountable culture
- Positively contribute to the development and wellness of our communities

- The comprehensive report provides a holistic look at how we are advancing five strategic, ambition-aligned areas of action and accountability that supplement our stated financial targets and reporting. These include **environmental protection; inclusion, diversity and equity; health and safety; community impact; and corporate governance.**
- The report builds on **19 years of voluntary sustainability reporting and five years of inclusion and diversity reporting.** It reflects Dow's performance for the calendar year ending December 31, 2022.
- The report can be accessed at www.dow.com/progress-report.
- The 2022 Intersections Report includes disclosures prepared in accordance with the **Global Reporting Initiative (GRI) Standards** and the **Greenhouse Gas (GHG) Protocol.** The report also includes disclosures on Dow's climate-related performance and strategies in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and references the disclosures of the Sustainability Accounting Standards Board (SASB) Standards for the Chemical Sector and the World Economic Forum's (WEF) Stakeholder Capitalism Metrics.



**VISION, STRATEGY
& BUSINESS**



**ENVIRONMENTAL
PERFORMANCE**



**HEALTH
& SAFETY**



**INCLUSION,
DIVERSITY & EQUITY**



COMMUNITY



**CORPORATE
GOVERNANCE**



**REPORTING &
DISCLOSURES**

DOW[®]

PURPOSE

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

GOAL

Value growth and best-in-class performance

AMBITION

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

OUR AMBITION IN ACTION

Improve the sustainability and circularity of the markets we serve

Positively contribute to the development and wellness of our communities

Embrace and cultivate an inclusive, diverse and accountable culture

ACCOUNTABLE FOR OUR PERFORMANCE & PROGRESS

Environmental Performance



Health, Safety & Wellness



Inclusion, Diversity & Equity



Community



Corporate Governance

Financial Targets Across the Economic Cycle

Increase underlying **EBITDA by >\$3B** by 2030



Maintain industry-leading **cash generation**



>13% return on invested capital



Total shareholder remuneration of **65% of net income**



2.0X-2.5X adjusted net debt to EBITDA¹

¹ Based on Moody's ratings methodology.

2022 Progress: Environmental Performance

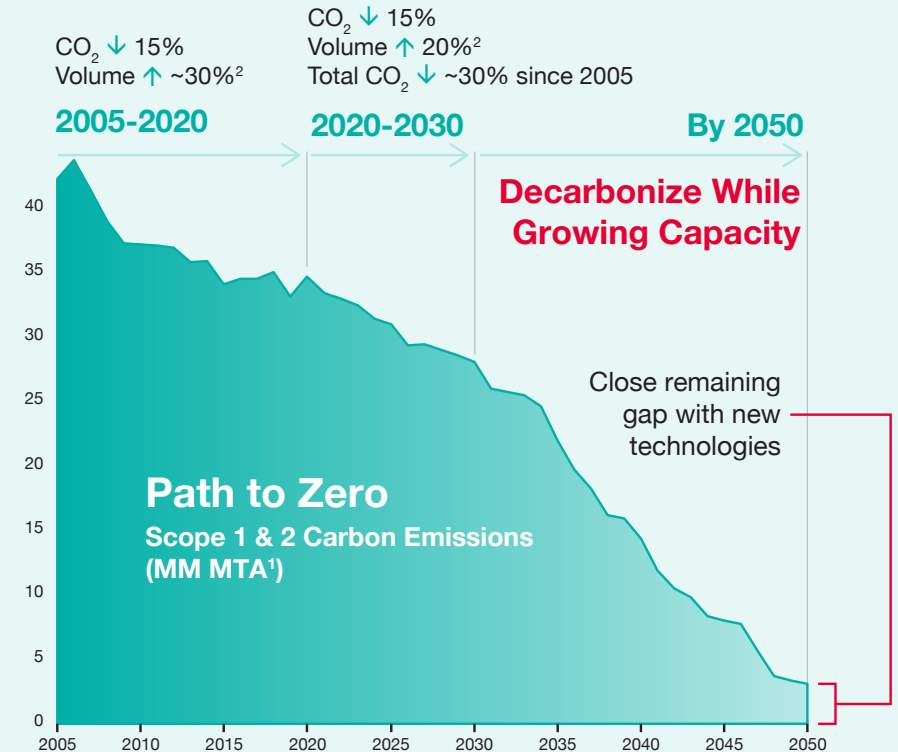
CLIMATE PROTECTION

We have a clear roadmap and investment plan to achieve carbon neutrality by 2050, while also meeting customers' increasing demands for more sustainable and circular products.

2022 Actions

- Advanced plans to build the **world's first net-zero carbon emissions, integrated ethylene cracker** and derivatives site in Fort Saskatchewan, Alberta – selecting Fluor for front-end engineering and design services and Linde as the industrial partner to supply clean hydrogen and nitrogen.
- **Commissioned our UNIFINITY™ fluidized catalytic dehydrogenation (FCDh) pilot plant** in Louisiana, which will lower GHG emissions by ~20% compared to conventional units.
- Expanded access to renewable energy to **>1,000 megawatts**, exceeding our 2025 target.
- **Announced joint development agreement with X-energy** to utilize zero-carbon-emissions advanced nuclear technology at our Seadrift, Texas, site.
- **Outlined detailed roadmaps for each of our 25 highest carbon-emitting sites.** These plans include replacing end-of-life and high-carbon-intensity assets with more carbon-efficient technologies, and investing in carbon-abatement technologies, including circular hydrogen and carbon capture and storage.

A Clear Path to Decarbonize and Grow



NEAR TERM

By 2025, we intend to reduce our carbon emissions by 2 million metric tons versus our 2020 baseline

MID TERM

By 2030, we will reduce our net annual carbon emissions by 5 million metric tons versus our 2020 baseline (15% reduction) or by 30% since 2005

LONG TERM

By 2050, we intend to be carbon neutral (Scopes 1+2+3 plus product benefits)

2022 Progress: Environmental Performance

CIRCULAR ECONOMY

Dow is committed to ending plastic waste and meeting customers' increasing demands for more sustainable and circular products through our materials science expertise and investments in circular innovations and partnerships. In 2022, we took an important step to accelerate our strategy by announcing our Transform the Waste target. To reach our target, we are collaborating with other stakeholders across value chains to build materials ecosystems to collect, reuse or recycle plastic waste by investing in key technologies, infrastructure and strategic partnerships. These investments will enable Dow to return more plastic waste into the circular system and scale our production of circular and low-carbon emissions solutions.



Transform the Waste

By 2030, Dow will transform plastic waste and other forms of alternative feedstock to commercialize 3 million metric tons of circular and renewable solutions annually.

Our Approach

Building a Materials Ecosystem

Mechanical Recycling

Advanced Recycling

Bio-Based Materials

Enabling waste transformation through multi-dimensional value chain partnerships.

Close the Loop

Design for Recyclability

By 2035, Dow will close the loop by enabling 100% of the packaging applications we sell into to be recyclable or reusable.¹

¹ Dow is continuously improving measurement of its Close the Loop and Transform the Waste metrics. These metrics, and Close the Loop in particular, are in the very early stages of their maturity within Dow and across the broader industry. The Close the Loop metric is based on secondary market research data and a set of internal assumptions that estimate the regional breakdown of packaging applications, the polyethylene market size of each application and compliance with regional recyclability guidelines. While polyethylene on its own is recyclable, it is often incorporated by our customers into multi-material structures that may not be recyclable. That is why we are committed to helping our customers and brand owners redesign and create packaging solutions that are both high-performance AND recyclable. Dow's methodology counts an application as being "enabled" to be recyclable based on Dow Packaging and Specialty Plastics polyethylene product developments AND public announcement or commercialization of a new packaging format (with or without Dow involvement). The Close the Loop metric accounts for global industry polyethylene and does not take into account other materials sold into packaging by Dow or other industry participants.

2022 Actions

- **Announced a new and expanded Transform the Waste target** to transform plastic waste and other forms of alternative feedstock to commercialize 3 million metric tons of circular and renewable solutions by 2030.
- **Expanded plans with Mura Technology** to construct multiple world-scale advanced recycling facilities in the United States and Europe, adding as much as 600 KTA of advanced recycling capacity by 2030.
- **Launched a new collaboration with WM** to enable consumers in select U.S. markets to recycle hard-to-recycle plastic films directly in their curbside recycling.
- **Commercialized 12 new grades of our REVOLoop™ Recycled Resins**, which incorporate up to 70% recycled plastic.

2022 Progress: Environmental Performance

2025 SUSTAINABILITY GOALS

Launched in 2015, our 2025 Sustainability Goals continue to be important drivers of integrating sustainable practices into our day-to-day business practices. Our 2025 Goals have set the foundation for Dow to take leadership roles in our industry around our priorities of Climate Protection, Circular Economy and Safer Materials. Plus, the learnings acquired from our goals are helping inform next-generation strategies, including our Transform the Waste target and development of our Biodiversity and Safer Materials strategies.

 <p>LEADING THE BLUEPRINT</p>	 <p>DELIVERING BREAKTHROUGH INNOVATIONS</p>	 <p>ADVANCING A CIRCULAR ECONOMY</p>	 <p>VALUING NATURE</p>	 <p>SAFE MATERIALS FOR A SUSTAINABLE PLANET</p>	 <p>ENGAGING FOR IMPACT: COMMUNITIES, EMPLOYEES, CUSTOMERS</p>	 <p>WORLD-LEADING OPERATIONS PERFORMANCE</p>
<p>Continued sharing our Blueprint Thinking Toolkit through the Keystone Policy Center</p>	<p>Aligned >87% of innovation portfolio to sustainability outcomes</p> <p>Earned 8 Edison awards and 6 R&D 100 awards</p>	<p>Implemented 4 of 6 major circular projects to date against our target of delivering solutions to close the resource loops in key markets</p>	<p>Nearly 77% to goal of achieving \$1B in net present value from business-driven projects that enhance nature</p> <p>Realized a net present value of \$766MM since goal launch</p>	<p>Selected Beyond Benign as Dow's 4th collaboration to advance product safety, partnering to create the first Green Chemistry Education Challenge Awards</p>	<p>52% of Dow employees reported volunteering, with connection to higher employee experience scores</p>	<p>Achieved zero serious transportation incidents</p> <p>Performance against our healthy culture metrics exceeded our 2025 target</p>

Achieved two goals two years ahead of schedule: Leading the Blueprint and Delivering Breakthrough Innovations

Health & Safety

In 2022, we improved our health and safety performance in key areas and launched improvement programs to reduce unplanned events where needed, in particular, Process Safety Containment Events (PSCEs).

2022 Progress

- **Achieved 50-year best performance fatality-free**, marking 977 days fatality-free as of December 2, 2022.
- Exceeded our internal targets for our **Total Worker Health® (TWH®) index**, keeping us on track to achieve a 100% score by 2025.
- **Launched the Dow Well-Being Portal** on a mobile app. Greater than **65%** of Dow employees enrolled in the initial year, and **33%** of app users reported an increase in energy levels through improved sleep and diet, and feeling an increase in productivity both in and out of the workplace.
- **Used drones, pipe crawlers and similar technology** for **>1,500 confined space entries** – advancing employee safety.

Identify, assess, eliminate or mitigate hazards



Prevent unsafe acts and conditions



Maintain the health and well-being of personnel and support workers in their health and health improvement journey



Foster communication on health and safety issues

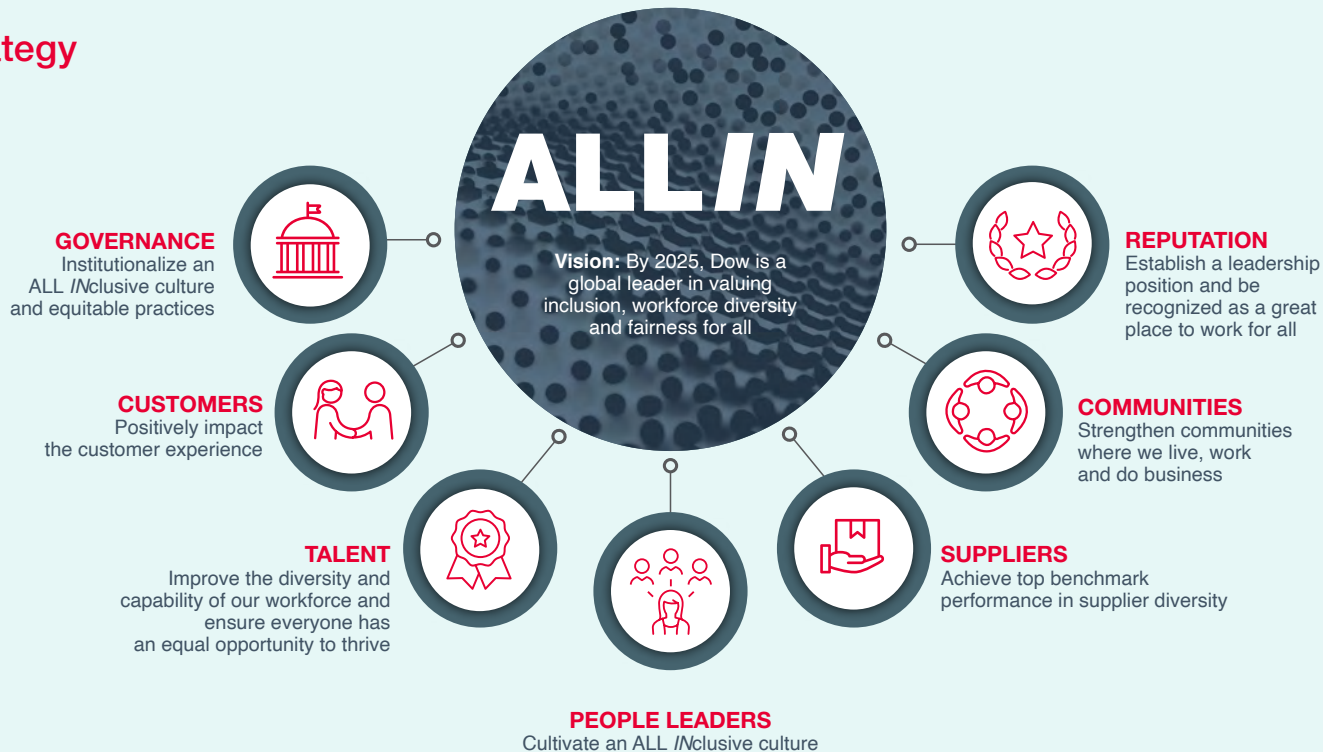


Inclusion, Diversity & Equity (ID&E)

In 2022, we continued to make progress against Dow’s ID&E strategy – ALL /N 2025 – which focuses on leading with inclusion, elevating our focus on diversity, and embedding equity into our practices, policies and processes.

<p>TALENT Improved workforce diversity representation for U.S. ethnic minorities (27.5%), global representation of women (29.5%) and global representation of women in leadership (36.3%).</p>	<p>SUPPLIERS Certified diverse supplier spend surpassed target and achieved ~\$275 MM.</p>	<p>EMPLOYEE RESOURCE GROUPS (ERGS) Achieved best-in-class ERG participation with 57.3% of our global workforce participating in at least one of our 10 ERGs globally.</p>	<p>COMMUNITY Hired 250 people and promoted 60 individuals into family-sustaining jobs through our partnership with OneTen, a coalition of businesses that have pledged to upskill, hire and advance 1 million Black individuals in the United States over the next decade.</p>	<p>REPUTATION Recognized externally as a leader in ID&E, including being named to the 2022 DiversityInc Top 50 Companies for Diversity list (#15) and People 100 Companies That Care list.</p>
---	---	--	---	--

ALL /N 2025 Strategy



Community

In 2022, Dow and the Dow Company Foundation promoted positive social change and addressed global challenges through strategic investments aligned with our global citizenship priorities, engaging our employees for impact, and partnering with global and local community organizations.

Global Citizenship Priority Areas



Advancing a **SUSTAINABLE** Future

- **Expanded Project REFLEX**, supported by Dow's Business Impact Fund, into Egypt and Guinea after a successful pilot phase in Nigeria.
- The project, which aims to deliver flexible plastic waste from the environment by establishing a market for recycled content in Africa, has resulted in **599 metric tons of materials recycled or divested** from landfills and the **creation of 50 jobs**.



Building **INCLUSIVE** Communities

- Committed **\$1.1 million** since 2019 to support **53 projects** in **25 countries** worldwide through **Dow's ALL IN ERG Fund**, which aims to help Dow communities in the world by harnessing the passion, perspective and expertise of our 10 ERGs.
- Since launch, the fund has resulted in **3,042 people** gaining social networks and support, **481 people** achieving safety and inclusion, **505 people** obtaining or sustaining a job, and **1,563 people** succeeding in school.



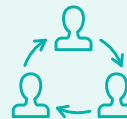
Developing Tomorrow's **INNOVATORS**

- **Doubled our commitment to the Creators Wanted campaign** to \$2 million to help build a strong manufacturing workforce.
- Our partnership with Creators Wanted helped contribute to **1 million students and career mentors** signing up to learn more about manufacturing careers, with **75% of students** reporting leaving the immersive experience with a significantly improved view of modern manufacturing careers.



Collaborating with **COMMUNITIES**

- **Launched a campaign with DonorsChoose** to provide teachers in Dow communities with materials for **257 classroom projects** that inspire inclusion, diversity, equity and belonging.



ENGAGING EMPLOYEES for Impact

- **Conducted our first global volunteer serve-a-thon**, with **>3,500 Team Dow volunteers** providing **nearly 9,000 hours** to support community partners across **>150 projects** in **24 countries**.

Governance

At Dow, we believe that strong corporate governance creates long-term value for shareholders by strengthening accountability and transparency, building trust in our company and promoting good decision-making.

2022 Highlights

Further **enhanced structural oversight** and responsibility of the Board for environmental, social and governance (ESG) progress and enterprise risk management.

Reinforced climate accountability, adding a quantifiable GHG reduction metric to our long-term compensation metrics.

Continue to outpace the S&P 500 for board diversity, as **33%** of our Board of Directors are women and 33% are U.S. ethnic minorities.

Raising the bar on ESG reporting and disclosures, advancing our methodology and disclosures on our path to setting a Scope 3 target.

Working with Science-based Target initiative (SBTi) to help develop chemical sector-specific decarbonization guidelines.



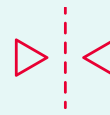
Independent Board with strong governance practices and balanced leadership structure; independent **Lead Director** with clear role and substantive responsibilities



Maintaining a diverse Board with balanced backgrounds, relevant skills and experiences



Engaging regularly and receiving feedback from a wide variety of stakeholders, including stockholders, customers, suppliers, communities and employees



Aligning strategy and goals to the company's largest areas of enterprise risk and opportunity, with clear Board oversight and responsibility



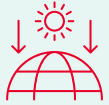
Designing compensation programs to support our business and environmental, social and governance priorities



Ensuring a culture of integrity through an effective code of conduct and ethics program

Dow's Ambition in Action: 2022 Highlights

Guided by our ambition and fueled by the passion of Team Dow, we are focused on creating long-term value for our company, shareholders and society.



Developed Scope 1 and 2 emissions reduction plans for our 25 highest-emitting sites



Announced Transform the Waste target to transform plastic waste and other forms of alternative feedstock to commercialize **3MM metric tons** of circular and renewable solutions by 2030



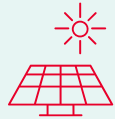
Partnered with Mura Technology to add as much as 600 KTA of advanced recycling capacity by 2030



>87% of R&D portfolio aligned to sustainability



Reinforced climate accountability by adding GHG emissions reduction targets to our long-term compensation metrics



Expanded access to renewable energy to 1,000 MW, exceeding our 2025 target



Announced joint development agreement with X-energy to utilize zero-carbon emissions advanced nuclear technology at our Seadrift, Texas, site



Commercialized **12 new grades** of our REVOLoop™ Recycled Resins, which incorporate up to 70% recycled plastic.



Achieved two 2025 Sustainability Goals two years ahead of schedule: Leading the Blueprint and Delivering Breakthrough Innovations



Continued to outpace S&P 500 for board diversity; 33% of our Directors are women and 33% are U.S. ethnic minorities



Achieved best-in-class ERG participation, with **57.3%** of global workforce participating in at least one of 10 ERGs globally



Improved global Dow employee representation of women to 29.5% and U.S. ethnic minorities to 27.5%



Community-driven solutions resulted in **40,000 students** achieving academic success and **136,000 people** gaining access to safe, affirming and inclusive environments



Conducted **first global volunteer serve-a-thon**, with **>3,500 Team Dow volunteers** providing **~9,000 hours** to support **>150 community projects** in **24 countries**



Surpassed target for certified diverse supplier spend, achieving **~\$275MM**

Advance our commitment to be carbon neutral by 2050

Improve the circularity and sustainability of the markets we serve

Cultivate an inclusive, diverse and accountable culture

Positively contribute to the development and wellness of our communities



Dow Inc.

Midland, MI 48674 U.S.A.

FESGRPT@dow.com

corporate.dow.com