

## Welcome to your CDP Forests Questionnaire 2023

### 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 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 37,800 people. Dow delivered net sales of approximately \$57 billion in 2022.

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, 2022	December 31, 2022

## 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.**

### Timber products

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**Commodity disclosure**

Disclosing

**Stage of the value chain**

Production

Processing

Trading

**Are you disclosing information on embedded commodities?**

Yes

### Palm oil

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**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

### Cattle products

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**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

### Soy

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**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

### Other - Rubber

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**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

### Other - Cocoa

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**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

**Other - Coffee**

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**Commodity disclosure**

This commodity is not produced, sourced or used by our organization

**F0.5**

**(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported**

Operational control

**F0.6**

**(F0.6) Select the countries/areas in which you operate.**

Brazil

**F0.7**

**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

No

**F0.8**

**(F0.8) 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**

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**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**

1-5%

**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 percentage represents our 2022 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)**

7,948

**% Area certified**

86

**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 last 5 years

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

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

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

0

**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

The Consumer Solutions business operates two silicon metal operations in Brazil, located in the states of Minas Gerais and Pará. These operations use charcoal and woodchips as raw materials. Dow produces part of these raw materials internally, and a portion is purchased externally. The mentioned 7,948 hectares represent the area of the farms on Minas Gerais and Pará where we produce these timber commodities. Our farm in Pará is located within the Amazon Biome and holds Forest Stewardship Council (FSC) certification. However, the farms in Minas Gerais, which are located in the Cerrado and Mata Atlantica biomes, do not have FSC certification. We have not

converted any natural ecosystems on any of our farms in the last 5 years, including 2022. As part of our commitment, Dow aims to achieve 70% FSC certification by 2025 for wood and charcoal commodities produced and purchased for our silicon operations in Brazil. This is the sole location where Dow produces and purchases timber-related raw materials.

## F1.4

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

### Forest risk commodity

Timber products

### Country/Area

Brazil

### Type of control

Own land

### Land type

Set-aside land

### Area (hectares)

45,080

### % covered by natural forests

92

### Please explain

We have a total of 45,080 hectares of land that are not used for production. The total is derived from our Pará farms that have 37,291 hectares of native forest and Minas Gerais farms that have 7,789 hectares of native forest.

## 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.**

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**Forest risk commodity**

Timber products

**Data type**

Production data

**Commodity production/ consumption volume**

107,586

**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. As part of our Natural Resources Operation, we own land in Brazil, located in the states of Minas Gerais and Pará. In total, we own a total of 54,931 hectares, of which 9,851 is used for operation and 45,080 is set aside or conserved native forest area. Our farm in Pará operates the charcoal production and holds Forest Stewardship Council (FSC) certification. In Minas Gerais, we have smaller Eucalyptus plantations farms for woodchips production, which were not FSC certified in 2022. These farms are located in the Amazon biome in Pará and in the Cerrado and Mata Atlantica biomes in Minas Gerais. We have not converted any natural ecosystems on any of our farms in the last 5 years, including 2022.

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**Forest risk commodity**

Timber products

**Data type**

Consumption data

**Commodity production/ consumption volume**

463,962

**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**

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.

An audit process is in place to ensure that the timber commodities comply with local regulations and have source traceability. The audit process is based on monthly documentation and in-person site verification that confirms all of the active suppliers are aligned with Brazil's environmental and labor legislation.

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. Additionally, 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, suppliers undergo the audit process by our natural resources technical team.

Through Dow's Code of Business Conduct for Suppliers, we continue to engage new suppliers globally and communicate our expectation of compliance with regulations and Dow's values. We also continually review and update our Dow Code of Business Conduct for Suppliers, conducting a comprehensive 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 incorporated into all new and existing supplier contracts to ensure they are contractually enforceable.

Dow has contracts with local farmers in Minas Gerais who operate eucalyptus plantations to produce woodchips. In 2018, Dow implemented a detailed risk assessment process for the operations consuming this commodity, and in 2019, we implemented an enhanced compliance program. Since then, our technical team visits the farmers every other month to provide guidance on best technical practices and to conduct compliance audits to verify their adherence to the law. All these audits and activities were conducted in 2022. Forest management is verified to confirm that documentation and licensing comply with the law, suppliers have the Declaração de



Colheita de Florestas Plantadas e Produção de Carvão (DCF) in Minas Gerais and Declaração de Corte e Colheita (DCC) in Pará, all harvesting equipment is certified by the government environmental bodies and if the environmental protection areas are protected from harvesting activities.

## F1.5b

**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**

### Timber products – DCF

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**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

0

**% of DCF production/consumption volume verified through monitoring systems**

57

**% of DCF production/consumption volume physically certified**

43

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

100

### Timber products – Non DCF

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**% of non-DCF production/consumption volume from unknown origin**

0

**% of non-DCF production/consumption volume traceable only as far as country level**

0

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

0

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

0

**% of non-DCF production/consumption volume traceable to production unit level**

0

**Total percentage of production/consumption volume reported (non-DCF)  
[(auto-calculated)]**

0

## F1.5c

**(F1.5c) 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 Pará

**% of total production/consumption volume**

100

**Please explain**

In Brazil, we use internally produced (23% of total consumption) and externally sourced charcoal and woodchips (77% of consumption) to produce silicon metal, which is later used in silicone production. Currently, Dow timber products are 43% FSC (Forest Stewardship Council) certified. Dow has established a target to achieve 70% FSC certification by 2025 for both wood and charcoal commodities produced and purchased within our silicon operations in Brazil: which is the only location where Dow purchases timber-related raw materials. The volume is calculated based on our SAP reports that account for all consumed and invoiced/purchased volume.

Our farms are located in the Amazon biome (in Pará, northern region of Brazil) and in the Atlantic biome (in Minas Gerais, south-central region of Brazil). The volume is calculated based on our SAP reports that account for all consumed and invoiced/purchased volume. Dow owns a total of 54,931 hectares, where 7,949 hectares are used for operation, and 45,080 hectares are set aside or conserved native forest area.

## 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 monitor deforestation/conversion footprint in our supply chain

### **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 did not expand its land footprint or increase its consumption of timber-based materials in 2022. 100% of Dow's timber production, which accounts for 23% of our total consumption, is FSC certified and monitored against deforestation. The remaining 77% of our consumption comes from purchased timber 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. 56% of timber products, both harvested and purchased at our Pará location, is FSC certified, and 33% of our consumption in Minas Gerais is certified, resulting in an overall FSC certification rate of 43%. 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 can confidently use them and ensure they are upholding all of Dow's and legislation requirements regarding deforestation. At our Minas Gerais location, we have a complex supply chain process, and have expanded our compliance audit scope by adding an additional audit process conducted by a third-party. Our production/consumption plan is submitted to the local Secretariat of the Environment annually. Additionally, 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. 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 detailed risk assessment process, and in 2019, we implemented an enhanced compliance program. Our technical team visits the farmers every other month to guide them on best technical practices and to conduct

compliance audits to verify that they are operating in accordance with the law. Forest management is verified to confirm that documentation and licensing comply with the law, suppliers have the Declaração de Colheita de Florestas Plantadas e Produção de Carvão -- (DCF) in Minas Gerais and Declaração de Corte e Colheita -- (DCC) in Pará, all harvesting equipment is certified by the government environmental bodies and if the environmental protection areas are protected from harvesting 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  
Impact on water security  
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 processes 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, the impact on operating cost of investment in new technology, the impact on products pricing, the impact as a result of potential lost sales and the market share gained in the case of opportunities. Other impacts that cannot be quantified concretely, such as reputational impact, are also considered as important factors for discussion.

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, considering both probability and impact potential. The most recent re-evaluation took place in 2022. Since its conception, Dow has implemented a number of improvements, including increasing FSC certifications, initiating our supplier diversity program as a method to manage risk with stakeholder engagement, and implementing a robust audit program. The main risks assessed include 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 third-party audit process. As a result of this audit, in 2019 we incorporated an even more robust audit program and technical assessment team, and these improved practices continue today.

Potential new suppliers undergo vetting 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 timber usage, 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 in Minas Gerais or Declaração de Corte e Colheita – DCC in Pará) are reviewed. In 2020 two third-party

companies were hired to conduct 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  
 Smallholders  
 Customers

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

100

### Description of mapping process and coverage

Our farms are in the Amazon biome (in Pará) and in the Atlantic biome (in Minas Gerais), the only location Dow purchases timber-related products. We use internally sourced (23% of total consumption) and externally sourced charcoal and woodchips (77% of consumption) to produce silicon metal, which is subsequently used in silicone production. In 2022, Dow timber products were 43% FSC (Forest Stewardship Council) certified. Dow has a target to reach 70% FSC certification by 2025 for both wood and charcoal produced and purchased within our silicon operations. Audits are in place to secure timber commodities with traceability and compliance based on documentation as well as in-person monthly verification, assuring all Dow’s direct and indirect suppliers comply with legislation of Brazil. Both Dow and supplier-owned land must be certified by Certificado de Cadastro de Imóvel Rural. Timber production must be registered on Cadastro Ambiental Rural and Licença Ambiental Rural. A required production/consumption plan is submitted annually to the local Secretary of the Environment to ensure that: the wood commodity production does not violate local regulations; and that all cutting docs/declarations are verified before access is granted to our operations (Declaração de Corte de Floresta on Minas Gerais or Sistema de

Cadastro de Consumidores de Produtos Florestais do Estado do Pará). Suppliers are vetted by Dow’s purchasing team to ensure they meet all requirements undergoing the Dow audit process by our natural resources technical team. By Dow’s Code of Business Conduct for Suppliers, we work with our suppliers to ensure that our renewable raw materials are ethically sourced and do not come with negative effects such as deforestation, displacing local communities or harm to biodiversity. We communicate our expectation of compliance with regulations and Dow’s values. The Code is continually reviewed through a full analysis of our current standards and industry best practices to ensure that we’re holding our suppliers to the highest standards and added into all new/existing supplier contracts to ensure they are contractually bonded. Dow’s sales team addresses customers’ needs through annual feedback surveys which are sent to every direct customer who has interacted with us in the previous year. Feedback is collected and overall customer satisfaction is scored.

**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)**

## F2.3

**(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?**

	<b>Use of a classification system to determine deforestation and/or conversion risk of sourcing areas</b>	<b>Methodology used for classifying levels of risk</b>	<b>Use of risk classification</b>	<b>Attachment indicating risk classification for each sourcing area (optional)</b>
1	Yes, we use a classification system	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.	Increase on Forest Stewardship Council (FSC) certifications in owned lands: In 2022, Dow timber products were 43% FSC (Forest Stewardship Council) certified, while Dow has established a target to reach 70% FSC certification by 2025 for both wood and charcoal produced and purchased within our silicon	

	<p>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</p>	<p>operations. Supplier audits to secure timber commodities with traceability and compliance based on documentation and in-person monthly verification, assuring all the active suppliers comply with legislation of Brazil. Both Dow and supplier owned land must be certified by Certificado de Cadastro de Imóvel Rural. Timber production must be registered on Cadastro Ambiental Rural and Licença Ambiental Rural. A required production/consumption plan is submitted annually to the local Secretary of the Environment to ensure that the wood commodity production does not violate local regulations, all cutting docs/declarations are verified before access is granted to our operations (Declaração de Corte de Floresta on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará). Suppliers are vetted by the purchasing team to ensure they meet all requirements undergoing the Dow audit process by our natural resources team.</p>	
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	<p>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 third-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</p>		
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	mapping of NGOs that work with forest related projects.		
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## 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:

Dow assesses climate risks based on the potential impact (magnitude of impact) and likelihood of a significant event occurring within the next five years (time horizon). Dow’s periodic climate scenario analysis considers a longer time frame (currently to 2050) for magnitude of impact. When assessing whether a climate-related risk or opportunity is substantive, Dow evaluates impacts related to factors 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 to reduce emissions or water use, 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

Description of the quantifiable indicators used to define substantive impact:

For a risk to be considered substantive by Dow it needs to either have a high likelihood of occurring in the next 5 years and a greater than \$100MM financial impact or medium likelihood of occurring in the next 5 years and a greater than >\$1B impact to Dow.

Managing key impacts, risks, and opportunities:

To deliver value to our customers, employees, communities, and shareholders, we must understand and manage impacts, risks and opportunities across our entire enterprise. The evaluation of climate-related risks and opportunities is integrated into a multi-disciplinary, company-wide risk management process, known as Enterprise Risk Management (ERM). The ERM process identifies significant or major risks to the company and develops action plans to modify or mitigate risks and capitalize on opportunities. The ERM process is an enterprise-wide, cross-functional assessment that identifies, assess, manages, and mitigates risk on an ongoing basis utilizing a broad range of data, both internal and external to Dow, covering all

value chain stages (direct operations, upstream, and downstream). A member of Dow's Leadership Team is assigned and accountable for managing each identified risk. While ERM covers all time horizons (short-term, medium-term, and long-term), risks are categorized based on the potential impact and likelihood of a significant event happening within the next five years (short-term).

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 third-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.

When assessing whether a climate related risk or opportunity is substantive, Dow evaluates impacts related to factors 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 to reduce emissions or water use, 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.

Management of climate risk is assigned to Dow's Climate Steering Team which is accountable for developing and implementing mitigation plans to mitigate risk and for tracking actions and progress against those plans. With oversight and accountability by the Climate Steering Team (CST), specific carbon related risks are managed by Dow's Climate PMO, a group comprised of Dow business and functional leaders, and together with subject matter experts they work to develop and implement strategies to mitigate or eliminate carbon-related risks.

## 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.**

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**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**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials used in the production of silicon metal at our Dow facilities in Brazil. 77% of Dow's consumption of forestry products are sourced from third parties which are used in production that generates over USD \$400MM/year of sales to Dow. If these third parties fail to comply with the legislation, it could imply a responsibility and financial risk for Dow, from environmental penalties to disruption of supply. In 2012, the Brazilian Forest Code was enacted establishing rules on the control and protection of native vegetation, enhancing actions to reduce deforestation. In November 2021, the European Commission proposed a regulation to curb deforestation and forest degradation that may be caused by products going into the EU market. The main driver of these regulations is the expansion of agricultural lands linked to wood production. As such, the EU may hold companies who are consumers of agricultural commodities and products linked to deforestation and forest degradation accountable for this problem, leading to the potential for sanctions on Dow products that could have raw materials sourced from deforested areas. Because the EU market accounts for nearly 25% of Dow Consumer Solutions global sales, non-compliance with these regulations poses a risk to Dow's operations and growth.

**Timeframe**

1-3 years

**Magnitude of potential impact**

Low

**Likelihood**

Unlikely

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

Yes, an estimated range

**Potential financial impact (currency)**

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

1,000,000

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

400,000,000

**Explanation of financial impact**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials used for the production of silicon metal at Dow's manufacturing facilities in Brazil. The potential financial impact figure accounts for 25% of Dow's Consumer Solution business sales from products that use charcoal and woodchips as raw materials for production, a total of \$400MM USD. While it is not likely that all suppliers would be negatively impacted by regulatory action, all are potentially at risk and must be considered. Recently, Dow excluded two forestry raw material suppliers due to concerns regarding compliance with Dow's Code of Business Conduct for Suppliers.

**Primary response to risk**

Engagement with suppliers

**Description of response**

In order to avoid production disruption, compliance, or reputational risks and to ensure that Dow's operations can receive timber commodities, 100% of our charcoal and woodchips suppliers are required to be compliant with the following legislation: Certificado de Cadastro de Imóvel Rural, Cadastro Ambiental Rural, Licença Ambiental Rural, Declaração de Corte de Floresta on Minas Gerais or Sistema de Cadastro de Consumidores de Produtos Florestais do Estado do Pará. Suppliers are audited on a monthly basis by our natural resources team. To reduce the risks related to wood commodities, Dow commits to increase the overall FSC (Forest Stewardship Council) certification to 70% by 2025 and 100% by 2030. In 2022, we reached 43% FSC certification with 56% of timber products both harvested and purchased at our Pará location and 33% of our Minas Gerais consumption being FSC certified.

From 2019 – 2022, both Para and Minas Gerais underwent a detailed risk assessment leading to the exclusion of 2 suppliers for non-compliance with Dow's Code of Business Conduct for Suppliers. Dow has a technical team that visits farmers every other month to guide them on best technical practices and to conduct compliance audits. A compliance program leader tracks actions from these audits monthly.

**Cost of response**

663,000

**Explanation of cost of response**

The annual cost of \$663K 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. This cost increased 84% in 2022 versus 2021 due to increasing audit coverage to 100% of our suppliers. In 2022, 19 people were involved in our compliance program with total a cost of \$404K USD per year. This technical team visits farmers and suppliers every other month to conduct compliance audits. A compliance program leader tracks their audit results and actions on a monthly basis. Additionally, the total cost includes an annual cost of \$252K USD per year for third-party verification and

another \$7K USD per year for FSC certification and external consultation. Dow follows forest management practices to ensure that timber commodities are compliant with local regulations and have source traceability. External suppliers are tracked to ensure they do not participate in illegal deforestation practices.

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**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**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials used in the production of silicon metal at our Dow facilities in Brazil. 77% of Dow's consumption of forestry products are sourced from third parties which are used in production that generates over USD \$400MM/year of sales to Dow. If these third parties fail to comply with the legislation, it could imply a responsibility and financial risk for Dow, from environmental penalties to disruption of supply. In 2012, the Brazilian Forest Code was enacted establishing rules on the control and protection of native vegetation, enhancing actions to reduce deforestation. In November 2021, the European Commission proposed a regulation to curb deforestation and forest degradation that may be caused by products going into the EU market. The main driver of these regulations is the expansion of agricultural lands linked to wood production. As such, the EU may hold companies who are consumers of agricultural commodities and products linked to deforestation and forest degradation accountable for this problem, leading to the potential for sanctions on Dow products that could have raw materials sourced from deforested areas. Because the EU market accounts for nearly 25% of Dow Consumer Solutions global sales, non-compliance with these regulations poses a risk to Dow's operations and growth.

**Timeframe**

>6 years

**Magnitude of potential impact**

Low

**Likelihood**

Unlikely

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

Yes, an estimated range

**Potential financial impact (currency)**

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

1,000,000

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

400,000,000

**Explanation of financial impact**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials used for the production of silicon metal at Dow's manufacturing facilities in Brazil. The potential financial impact figure accounts for 25% of Dow's Consumer Solution business sales from products that use charcoal and woodchips as raw materials for production, a total of \$400MM USD. While it is not likely that all suppliers would be negatively impacted by regulatory action, all are potentially at risk and must be considered.

To reduce regulatory risks associated with deforestation, Dow partnered with EMBRAPII (Empresa Brasileira de Pesquisa e Inovação Florestal), Universidade Federal de Viçosa MG and Sociedade de Investi, to increase suppliers' operational efficiency and improve the conversion of wood to charcoal with the use of Corymbia eucalyptus genotypes. By improving charcoal quality, suppliers will have to harvest less trees for the same amount of charcoal produced, reducing their regulatory risks associated with deforestation, and Dow's risk of supply disruption.

**Primary response to risk**

Engagement with suppliers

**Description of response**

Assuring Dow and its suppliers have the best-in-class source of charcoal, with highest efficiency, will ultimately reduce our suppliers exposure to regulatory risks associated with unnecessary deforestation and Dow's risk of supply disruption. Through a multi-stakeholder project with EMBRAPII (Empresa Brasileira de Pesquisa e Inovação Florestal), Universidade Federal de Viçosa MG and Sociedade de Investi, we are working to develop superior Corymbia eucalyptus genotypes for the production of energy, charcoal, and cellulose that have improved wood productivity when compared to the current mix of eucalyptus sp genotypes available on the market. As part of this project, Dow had an ultimate target to reduce the total cost of charcoal supplied by 3%.

**Cost of response**

101,000

### **Explanation of cost of response**

This is a multi-stakeholder project, a partnership between EMBRAPA (Empresa Brasileira de Pesquisa e Inovação Florestal) + Universidade Federal de Viçosa MG + Sociedade de Investigações Florestais (SIF) which aims to develop superior Corymbia eucalyptus genotypes of different environments for the production of energy, charcoal and cellulose with improved massive wood productivity when compared to the current mix of eucalyptus sp genotype available on the market. Dow's one-time investment is estimated at \$101K USD until 2026, to be used in sampling assembly, bench and scale-up tests and is expected to start in 2023.

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### **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**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials used in the production of silicon metal at our Dow facilities in Brazil. 77% of Dow's consumption of forestry products are sourced from third-parties which are used in production that generates over USD \$400MM/year of sales to Dow. If these third-parties fail to comply with the legislation, it could imply a responsibility and financial risk for Dow, from environmental penalties to disruption of supply. In 2012, the Brazilian Forest Code was enacted establishing rules on the control and protection of native vegetation, enhancing actions to reduce deforestation. In November 2021, the European Commission proposed a regulation to curb deforestation and forest degradation that may be caused by products going into the EU market. The main driver of these regulations is the expansion of agricultural lands linked to wood production. As such, the EU may hold companies who are consumers of agricultural commodities and products linked to deforestation and forest degradation accountable for this problem leading to the potential for sanctions on Dow products that could have raw materials sourced from deforested areas. Because the EU market accounts for nearly 25% of Dow Consumer Solutions global sales, non-compliance with these regulations poses a risk to Dow's operations and growth.



**Timeframe**

>6 years

**Magnitude of potential impact**

Low

**Likelihood**

Unlikely

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

Yes, an estimated range

**Potential financial impact (currency)**

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

1,000,000

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

400,000,000

**Explanation of financial impact**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials used for the production of silicon metal at Dow's manufacturing facilities in Brazil. The potential financial impact figure accounts for 25% of Dow's Consumer Solution business sales from products that use charcoal and woodchips as raw materials for production, a total of \$400MM USD. While it is not likely that all suppliers would be negatively impacted by regulatory action, all are potentially at risk and must be considered.

Through a partnership with the technical group on Ferroalloys and Metallic Silicon (GT Ferroligas) which includes the Universidade de Viçosa, Sociedade de Investigações Florestais (SIF) and ABRAFE (Brazilian Association of ferroalloys and Silicon Metal), as well as companies from the chemical sector such as Dow, we aim to increase suppliers' operational efficiency, improve the conversion of wood to charcoal (reducing wood consumption) and enhancing process knowledge for our suppliers. By improving the charcoal production process, suppliers will have to harvest less trees for the same amount of charcoal produced, reducing their regulatory risks associated with deforestation, and Dow's risk of supply disruption.

**Primary response to risk**

Engagement in multi-stakeholder initiatives

**Description of response**

To transform the charcoal production process using ferroalloys in the silicon metal industry into a globally referenced production technique, environmental sustainability, health and safety of workers in the forestry and industrial areas is mandatory and may be achieved through research and development of genetic materials allowing the integrity and preservation of charcoal's physical and chemical stability for ferroalloys

and metallic silicon production. The project delivery will improve the charcoal quality as well as enhance forestry operations, targeting a 2% reduction of the operational and charcoal cost for Dow.

**Cost of response**

10,000

**Explanation of cost of response**

This project is a partnership in the work group of ferroalloys in Brazil. It includes representatives from the technical group on Ferroalloys and Metallic Silicon (GT Ferroligas) such as the Universidade de Viçosa, Sociedade de Investigações Florestais (SIF) and ABRAFE (Brazilian Association of ferroalloys and Silicon Metal), as well as companies from the chemical sector such as Dow.

Through this project, the partners aim to development charcoal production activities in the ferroalloys and silicon metal sector, through integration between companies and universities, and promoting technical discussions on topics that contribute to the progress of the sector in Brazil.

In order to transform the charcoal production process using ferroalloys in the silicon metal industry into a globally referenced production technique, environmental sustainability, health and safety of workers in the forestry and industrial areas is mandatory and may be achieved through research and development of genetic materials allowing the integrity and preservation of charcoal’s physical and chemical stability for ferroalloys and metallic silicon production. The project delivery will improve the charcoal quality, as well as enhance forestry operations, targeting a 2% reduction of the cost of operational and charcoal for Dow. Dow investment in 2022 was \$10K USD, used in sampling assemble, bench and scale up tests.

**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**

In partnership with the University of Viçosa, Dow initiated a project to assess and improve both charcoal quality and the production process of our Minas Gerais charcoal suppliers. The University of Viçosa was selected as this project's partner because they offer expertise based on extensive research on charcoal production. In addition, this project offered training, support with technical development, analytical support, and improved production parameters and controls to increase operational efficiency and quality. This improved charcoal is more efficient than the current charcoal supplied to Dow resulting in less consumption required for production of the same volume. The charcoal quality target of the project was to reach a fixed carbon percent of 75%-82% (vs a starting point of approximately 60%) which was successfully achieved. Regarding operational efficiency, focus was put on charcoal transportation and production process. Dow worked with suppliers to increase the conversion efficiency and reduce losses resulting from fines. The study was completed in 2022 and Dow is currently on its final stage of providing training and sharing findings with suppliers.

**Estimated timeframe for realization**

Current - up to 1 year

**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 primary focus of the project was to increase operational efficiency and improve charcoal quality by reducing small particles and achieving a charcoal fixed carbon value between 75 to 82% (vs a starting point of approximately 65%). The results were an improved conversion of wood to charcoal, reducing overall wood consumption. The

resulting efficiency gain reduced Dow’s overall timber product consumption by 12% (72.2K tons) for an annual savings of \$8 USD per ton or \$578K USD.

**Cost to realize opportunity**

1,000

**Strategy to realize opportunity**

By educating suppliers through workshops and discussions, Dow was able to improve their technical knowledge and capabilities regarding charcoal production. By combining the University of Viçosa’s findings regarding charcoal characteristics with Dow’s improved production parameters, our suppliers achieved increased charcoal efficiency (reduction of small particles and an increased fixed carbon ratio) and improved operational productivity.

The study started in 2018 and was completed in 2022. Dow is currently on its final stage of training and leveraging outcomes with 100% of our timber related suppliers, which is expected to be completed by the end of 2023.

## 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 or committee	Responsibilities for forest-related issues
Chief Executive Officer (CEO)	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 Chair of the Board and in consultation with Dow’s independent 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. As examples, Project Yba (in the Amazon biome) with a \$290K investment, “Reforestation, Carbon Capture” with investments of \$200K in 2021 and \$90K in 2022, and “Social Development on the Atlantic Forest” with an investment of \$250K (budget allocation approved by the CEO in 2022).

Board-level committee	<p>The Board actively oversees and engages with management in stewardship of the Company's strategy, environmental, social and governance leadership, risk management and overall performance, which include forest-related issues. 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>
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## 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	<ul style="list-style-type: none"> <li>Monitoring implementation and performance</li> <li>Monitoring progress towards corporate targets</li> <li>Overseeing acquisitions, mergers, and divestitures</li> <li>Overseeing major capital expenditures</li> <li>Overseeing value chain engagement</li> <li>Providing employee incentives</li> <li>Reviewing and guiding annual budgets</li> <li>Reviewing and guiding business plans</li> </ul>	<p>The Board is responsible for overseeing the environmental, social and governance 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 environmental, social and governance related priorities. Dow held six Board meetings and the Committees of the Board collectively held 24 meetings for a total of 30 meetings in 2022, during which environmental, social and governance topics were discussed. The EHS&amp;T Committee of the Board oversees strategy and action plans developed by Dow's Leadership Team that include forest-related issues. An example of a forest-related decision/update to the CEO: In 2021, Dow launched Project Yba with the objective to generate social development through the Amazon Rainforest preservation in Breu Branco, Pará, Brazil in partnership with The Nature Conservancy (TNC). In 2021, the project received an investment of \$200K USD. In 2022, an additional \$90K USD was provided from Dow's Business Impact Fund grant. Another example for 2022 was</p>

	Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding public policy engagement Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	the launching of the project “Reforestation, Carbon Capture and Social Development on the Atlantic Forest” receiving an investment of \$250K USD. The goal of the project is to develop a new business model for carbon capture projects that address climate change, conserve biodiversity-based and support local communities and smallholders.
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## 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 Disclosures (TCFD), Dow has assessed each of its Director’s professional experience (including other board memberships), education, and board-level accountability, as well as the frequency and structure of review of the relevant subject matter and substantive information provided from internal and external subject matter experts to the Board. Dow also utilizes a questionnaire that is sent to each Director to provide additional support for the assessment.

Based on the 2022 assessment of the Directors, 100% have strategic planning and enterprise risk management experience and 42% (5 out of 12 Directors) have forest-related experience which both provide a strong oversight to the Company's sustainability ambitions.

## 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)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Executive Officer (CEO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Integrating forests-related issues into business strategy Monitoring progress against forests-related corporate targets Managing public policy engagement that may impact forests Managing value chain engagement on forests-related issues Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	The CEO is ultimately responsible for forest-related issues and is member of the Leadership Team, along with the President and Chief Financial Officer. For forest related issues and strategy development, communication occurs between the CEO and the president of the Performance Materials and Coatings business. Example of a forest-related decision update from Business President to the CEO: In 2021 Dow launched Project Yba in Brazil with an investment of \$200K USD from Dow’s Business Impact Fund. In 2022, \$90K USD of additional investment was aligned with the Yba. The project objective is to generate social development through the forest preservation in the Amazon biome in Brazil close to Dow plant in Pará. Project Yba milestones are monitored at the Board level by the Directors and CEO, and through periodic reporting, plans of action and employee engagement. Additional budget allocation is analyzed and allocated by the Leadership Team. In 2022, Dow also launched the project “Reforestation, Carbon Capture and Social Development on the Atlantic Forest” receiving an investment of \$250K USD. The goal of the project is to develop a new business model for carbon capture projects that address climate change, conserve biodiversity-

			based and support local communities and smallholders.
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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 included through the annual performance award program for all Dow employees. Pay outs are determined by measuring actual performance against each metric, including progress towards many of our 2025 Sustainability Goals via an Environmental Stewardship index which is part of our World Leading Operations (WLO) 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.**

Row 1

**Scope**

Company-wide

**Commodity coverage**

General forests policy covering all commodities

Timber products

**Content**

Commitment to eliminate conversion of natural ecosystems

Commitment to no land clearance by burning or clearcutting

Commitment to eliminate deforestation



Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE)

Commitment to remediation, restoration and/or compensation of past harms

Adoption of the UN International Labour Organization principles

Commitment to best management practices for soils and peat

Commitment to take action beyond own supply chain to tackle environmental issues

Commitment to resolving both social and environmental issues in own operations and supply chain

Commitment to protect rights and livelihoods of local communities

Commitments beyond regulatory compliance

Commitment to transparency

Commitment to stakeholder awareness and engagement

Commitment to align with the SDGs

Recognition of the overall importance of forests and other natural ecosystems

Description of business dependency on forests

Recognition of potential business impact on forests and other natural ecosystems

Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy

List of timebound milestones and targets

Description of forests-related performance standards for direct operations

Description of forests-related standards for procurement

## Document attachment

### Please explain

Our forest related policies are reviewed every year. We have the following requirements from our suppliers to avoid deforestation and illegal sourcing:

Harvest Declaration for Charcoal Production; 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; Certificate of Enrolment in the Rural Environmental Registry (CAR), of the property where the forest and UPC are located; Environmental License of the enterprise contemplating the activities of silviculture and charcoal production. If the Environmental License contains a volume greater than 50,000 mdc/year, present evidence of compliance with the obligations imposed by DN COPAM 227/18 and DAE of the forestry fee.

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.

Certificate of Rural Property Registration (CCIR) and NIRF/ITR certificate.

Planting Registration Form digitally signed through SEI.

Letter of approval of the Planting Registry, digitally signed by the IEF analyst.

Our Code of Conduct is Dow's guide to Company policies and legal requirements that govern how we conduct business around the world and should be used as guidance for any commercial relationship. Known potential legal or Code violations are investigated by subject matter experts assigned by the Office of Ethics and Compliance.

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. We reinforce these requirements through our audit program with onsite visits to all suppliers. Also thru the participation at the Partnership Platform for Amazon (PPA), Dow seeks to build innovative, tangible and practical solutions for sustainable development and the conservation of biodiversity, forests and natural resources in the Amazon. Dow is a member of PPA strategy committee, which is marketing the development of small suppliers into the Amazon region with the aim of driving community support and inclusion.

## 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?**

Forest risk commodity	Public commitments made
Timber products	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

Zero deforestation, displacing local communities nor harm to biodiversity.

### F4.6b

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

#### Forest risk commodity

Timber products

#### Criteria

- No conversion of natural ecosystems
- Zero gross deforestation/ no deforestation
- Restoration and compensation to address past deforestation and conversion
- Avoidance of negative impacts on threatened and protected species and habitats
- No trade of CITES listed species
- No land clearance by burning or clearcutting
- No conversion of High Conservation Value areas
- No conversion of High Carbon Stock forests
- Collaborate in landscapes/jurisdictions to progress shared sustainable land use goals
- Implementation of Nature-based Solutions that support landscape restoration and long-term protection of natural ecosystems

Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities

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

Promotion of gender equality and women's empowerment

Remediate any adverse impacts on indigenous people and local communities

Adoption of the UN International Labour Organization principles

Resolution of complaints and conflicts through an open, transparent and consultative process

Facilitate the inclusion of smallholders into the supply chain

Build community capacity and incentivize engagement in multi-stakeholder processes

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

No sourcing of forest risk commodities from unknown/controversial sources

Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Recognition of legal and customary land tenure rights

### **Operational coverage**

Direct operations and supply chain

### **% of total production/ consumption covered by commitment**

100%

### **Cutoff date**

2018

### **Forest risk countries/areas that the cutoff date applies to**

Applied globally

### **Reason for selecting cutoff date**

Compliance with initiative, please specify

Dow's Code of Conduct for Suppliers

### **Commitment target date**

<2017

### **Please explain**

Through Dow's Code of Business Conduct for Suppliers, 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 Code of Business Conduct for Suppliers, completing a full analysis of our current standards and industry best practices to ensure that we're holding our suppliers to the highest standards regarding sustainability, human rights, and environmental health and safety. In June 2022, the Company published an update to Dow's Code of Business Conduct for Suppliers that more clearly defines expectations for suppliers as well as best practices that align with the Company's environmental, social and governance priorities. The requirements of Dow's Code of Business Conduct for Suppliers are built into all new and existing supplier contracts, to ensure they are contractually enforceable. Dow

reserves the right to audit supplier compliance at any time and does so monthly for higher risk suppliers (licenses, legal documents of rural properties, geolocation information and on-site visits of 100% of its supply chain) for compliance. In the case where we identify less-than-adequate supplier practices, we reserve the right to discontinue business with the supplier. From 2019-2022, the charcoal and woodchips suppliers underwent a detailed risk assessment according to Dow's Supplier Code of Conduct and by the end of 2022, Dow's robust compliance program led to de-selection of two suppliers. Currently 43% of Dow's timber consumption is FSC certified, with a target to have 70% of our sources FSC certified by 2025 and 100% by 2030. Our technical team visits farmers every other month to guide them on best technical practices and conduct compliance audits. A compliance program leader tracks actions from these audits monthly. Beginning in 2022, environmental, social and governance criteria is be used for all sourcing decisions encompassing 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

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Compliance with initiative, please specify

Women's Empowerment Principles from United Nations

**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. WEP's solutions are reshaping our world and at the heart of our solutions are our people. Diversity is our strength and 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) for the third consecutive year, demonstrating the Company's continued commitment to gender inclusion and data transparency. Dow's cumulative GEI scores this year again outperformed both the materials sector and the overall GEI averages. The index measures gender equality across five pillars: leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and external brand.

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 third year in a row.

Dow's annual Performance Award bonus program also include an Ambition index, which includes environmental performance, and further drives accountability across the organization. This design was approved by the Board 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. Since 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 and 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

**Forest risk countries/areas that the cutoff date applies to**

Applied globally

**Reason for selecting cutoff date**

Compliance with initiative, please specify  
United Nation's Universal Declaration of Human Rights

**Commitment target date**

<2017

**Please explain**

Dow's Values and Code of Conduct are influenced by and reflect the fundamental principles described in the United Nations Universal Declaration of Human Rights. Dow continues its originally commitment made 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's CEO reaffirms Dow's commitment to the Ten Principles of the U.N. Global Compact on human rights, labor standards, protection of the environment and anti-corruption. The UN Global Compact and its principles are reflected in our strategy, culture and day-to-day operations. 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

endeavours 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 comply with applicable local, state, national, provincial, and international laws and regulations. Dow holds our business partners accountable through Dow’s Code of Business Conduct for suppliers 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 and commit 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. Our suppliers are expected to comply with Dow’s Code of Business Conduct for suppliers, which specifies our standards around business and labor practices, as well as other applicable laws and regulations. We have a detailed work process to identify and manage sustainability risks across the supply chain and employ a distribution risk review process to mitigate risks for Dow distributors. We have an established process for due diligence and implementation phases of mergers, acquisitions and joint venture formations, which includes a review of human rights risks prior to the completion of an acquisition or the formation of a new business venture.

**Employee Programs**

Dow has specific sourcing relationships with organizations that specialize in recruiting people with disabilities including the National Technical Institute for the Deaf (NTID), and DiversAbility, LLC. Dow’s Disability Employee Network (DEN) focuses on improving perceptions about people with disabilities and raising awareness about the contributions they make, both at work and outside of work. In addition, DEN fosters the professional and personal success of people with disabilities through a variety of training resources, aimed at people with disabilities and leaders managing people with disabilities.

## F5. Business strategy

### F5.1

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

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
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<p>Long-term business objectives</p>	<p>Yes, forests-related issues are integrated</p>	<p>21-30</p>	<p>Dow is committed to protecting our planet and combatting climate change by contributing to a lower-carbon future, conserving and restoring natural spaces both within our operations and value chains.</p> <p>The challenges that we face as a society are interconnected: climate change, social inequity, waste, 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%). By 2050, Dow intends to be carbon neutral (Scope 1 + 2 + 3 plus product benefits). Dow supports the Paris Agreement and is 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.</p> <p>Dow’s manufacturing sites in Brazil that utilize woodchips and charcoal are among the more significant GHG emitters in the business’ portfolio of assets, therefore, measuring and reducing timber consumption, as well as improving our FSC supplier engagement directly link to Dow’s commitments of:</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> </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. Our natural resources technical team conducts audits every other month to review the documents and in person</p>
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			verification of compliance. Also, aiming to reduce the risks related to wood commodities, we request FSC (Forest Stewardship Council) certification to our suppliers and we target 70% of all suppliers to be certified by 2025 and 100% by 2030.
Strategy for long-term objectives	Yes, forests-related issues are integrated	21-30	<p>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 analysed a 14-year 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 evaluated eucalyptus plantation investments in the market 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: from current 43% of our timber consumption to 70% by 2025 and 100% by 2030. Dow audits all the raw material suppliers to avoid any illegal deforestation and to have Forest Stewardship Council (FSC) certification in its own lands. Dow is committed to no deforestation or conversion of natural ecosystems on its direct operations. Dow follows forest management practices to ensure that timber commodities are compliant with local regulations and have source traceability. External suppliers are tracked to ensure they do not participate in illegal deforestation practices.</p> <p>In 2022, as part of the strategy implementation on ecosystem restoration and preservation we continued the ongoing efforts of project Yba in the Amazon biome, in partnership with Natura, Peabiru Institute and TNC. This project promotes social development to local Amazonian communities and forest presentation by helping them to develop a new bioeconomy project and access the personal care market. In 2022, Dow launched the project "Reforestation, Carbon Capture and Social Development on the Atlantic Forest" receiving an investment of \$300K</p>

			USD. In partnership with The Nature Conservancy, the project will develop a new business model for carbon capture projects that address climate change, conserve biodiversity-based and support local communities and smallholders.
Financial planning	Yes, forests-related issues are integrated	21-30	<p>Our forest strategy is directly connected with our climate reduction targets 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. We also consider the yearly investment of &gt;\$600K USD of our compliance/audit program. We also consider on the investments plan social and ecosystem protection projects such as Project Yba, where we invested so far \$290K USD, and "Reforestation, Carbon Capture and Social Development on the Atlantic Forest" with a \$300K USD investment.</p> <p>Two other examples of action taken because of the financial strategy connected to our forest related sustainability strategy are 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).</p> <p>Dow has also screened 100% of capital project &gt; \$10 million USD and realized a net present value of \$129 million USD in 2022 from projects that enhance nature, bringing the total of \$766 million USD since goal launch. The Ecosystem Services Identification &amp; Inventory Tool (ESII) tool was developed with The Nature Conservancy</p>

			(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.
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## F6. Implementation

### F6.1

**(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?**

Yes

#### F6.1a

**(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.**

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**Target reference number**

Target 1

**Forest risk commodity**

Timber products

**Year target was set**

2019

**Target coverage**

Company-wide

**Target category**

Performance of owned or managed processing facilities

**Metric**

% of processing facilities compliant with DCF/NDPE commitments

**Traceability point**

**Third-party certification scheme**

**Base year**

2018

**Base year figure**

0

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

100

**% of target achieved relative to base year [auto-calculated]**

100

**Target status in reporting year**

Achieved

**Is this target linked to a commitment?**

Zero net/gross deforestation

**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 that 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. Currently 100% of the area in Pará used for eucalyptus plantation is FSC certified. Dow has maintained its certification since 2019 and has been renewed by Imaflora annually ever since.

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**Target reference number**

Target 2

**Forest risk commodity**

Timber products

**Year target was set**

2019

**Target coverage**

Company-wide

**Target category**

Third-party certification

**Metric**

% of volume third-party certified

**Traceability point**

**Third-party certification scheme**

FSC Forest Management certification

FSC Controlled Wood

**Base year**

2019

**Base year figure**

0

**Target year**

2025

**Target year figure**

70

**Reporting year figure**

43

**% of target achieved relative to base year [auto-calculated]**

61.4285714286

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

Dow has been auditing all the raw material suppliers to avoid any illegal deforestation. Dow is committed to no deforestation or conversion of natural ecosystems on its direct operations. Dow follows forest management practices to ensure that timber commodities are compliant with local regulations and have source traceability. External suppliers are tracked to ensure they do not participate in illegal deforestation practices and are incentivized to pursue FSC certification. Dow established a target to reach 70% FSC certification by 2025 (100% by 2030) for both wood and charcoal commodities produced and purchased within our silicon operations in Brazil, the only location Dow purchases timber-related raw materials. In 2022, 56% of timber products both harvested and purchased at our Pará location was FSC certified and 33% of our Minas Gerais consumption is certified, summing to an overall of 43% of FSC certification (and a progress of 61% versus our 2025 target).

**Target reference number**

Target 3

**Forest risk commodity**

Timber products

**Year target was set**

2019

**Target coverage**

Company-wide

**Target category**

Engagement with direct suppliers

**Metric**

% of direct suppliers engaged

**Traceability point**

**Third-party certification scheme**

**Base year**

2019

**Base year figure**

0

**Target year**

2022

**Target year figure**

100

**Reporting year figure**

100

**% of target achieved relative to base year [auto-calculated]**

100

**Target status in reporting year**

Achieved

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

Dow holds our business partners accountable through Dow’s Code of Business Conduct for Suppliers and active engagement. Because respect for planet, 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.

Through Dow’s Code of Business Conduct for Suppliers, 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’s Code of Business Conduct for Suppliers, completing a full analysis of our current standards and industry best practices to ensure that we’re holding our suppliers to the highest standards regarding sustainability, human rights, and environmental health and safety. 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 smallholders in Minas Gerais called the "Fomentos". In 2018, we implemented a detailed risk assessment process and in 2019 we structured a reformulated compliance program. Our technical team visits the farmers every other month to guide them on best technical practices and to conduct compliance audits to verify that they are working in accordance with the law. A compliance program leader tracks actions from these audits monthly. Forest management is verified if the documentation and licensing comply with the law. Our suppliers underwent a detailed risk assessment from 2019-2022 and today we have a robust assessment and compliance program which has resulted in the de-selection of 2 suppliers since 2019.

## 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?	Supply chain coverage	Description of traceability system	Exclusions
Timber products	Yes	Volume from direct suppliers only	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 and supplier's improvement programs and audit program implementation.	Not applicable

			<p>We use our audit process as our traceability system to track the origin of the wood commodities. Forest management is verified if the documentation and licensing comply with the law. Our suppliers undergo a monthly audit in accordance with the robust compliance program built in 2019. Since then, 2 suppliers were de-selected. During the audit process, an internal auditor specialized in forest management manually verifies each supplier’s documentation and licensing, such as 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. These documents are in accordance with Dow’s check list for timber products (presented at F4.5a) and ensure information related to: georeferencing space that was harvested (Dow checked satellite images from the previous 5 years for possible deforestation indicatives); supplier’s tax ID linked to the specific location being harvested; federal licenses and authorizations guided by the Forest Institute (IEF) to the specific volume of timber being managed in that area by that tax ID. Dow reported to IEF the volume being consumed from each tax ID for counterproof. This procedure is similar in both harvest (own land) and market bought wood. To reduce the risk related to forestry commodities, Dow has a strategy to increase the overall Forest Stewardship Council (FSC) certification to 70% by 2025 and 100% by 2030. We are currently at 43%.</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	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
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Timber products	Forest management unit	Brazil	100
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### 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	43

### 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**

43

**Form of commodity**

Sawn timber, veneer, chips

Other, please specify

Charcoal

**Volume of production/ consumption certified**

247,893

**Metric for volume**

Metric tons

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

No

**Please explain**

Dow has been auditing all the raw material suppliers to avoid any illegal deforestation and to have Forest Stewardship Council (FSC) certification for its own lands. Dow is

committed to no deforestation or conversion of natural ecosystems for its direct operations. Dow follows forest management practices to ensure that timber commodities are compliant with local regulations and have source traceability. External suppliers are tracked to ensure they do not participate in illegal deforestation practices. Forests used for our own charcoal operation are FSC certified. The charcoal and woodchips purchased in the market are partially certified (33%). 100% of Dow suppliers are audited by our technical team. Dow established a target to reach 70% FSC certification by 2025 for both wood and charcoal commodities produced and purchased within our silicon operations in Brazil, the only location Dow purchases timber-related raw materials. This requirement is included in the contracts for new suppliers, a practice that has been in place since 2021. Long-running contracts are being updated to include this requirement as well.

## 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

We use our audit process as our traceability system to track the origin of the wood commodities. Forest management is verified if the documentation and licensing follow the law. Our suppliers undergo a monthly audit in accordance with the robust compliance program built in 2019. During the audit process, an internal auditor specialized in forest management manually verifies each supplier's documentation and licensing. These documents are part of Dow's check list for timber products (presented at F4.5a) and ensure information related to: georeferencing space that was harvested (Dow then checks satellite images from the previous 5 years for possible deforestation indicatives); supplier's tax ID linked to the specific location being harvested; federal licenses and authorizations guided by the Forest Institute (IEF) to the specific volume of

timber being managed in that area by that tax ID. Dow must also report to IEF the volume being consumed from each tax ID for counterproof.

**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

**% of non-compliant suppliers engaged**

**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 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) Indicate if you collect data regarding your own compliance and/or the compliance of your suppliers with the Brazilian Forest Code, and provide details of your methods and progress.**

	Do you collect data on this indicator?	Percentage compliance with indicator	Method(s) for collecting data	Frequency of collecting data
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% of owned and/or managed properties registered on the Rural Environmental Registry (CAR) database, with active status	Yes	100%	National tools and databases CAR database Satellite imagery Internal monitoring Supplier documentation Supplier audits Independent audits	More frequently than annually
% of owned and/or managed properties with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit	Yes	100%	National tools and databases CAR database Satellite imagery Internal monitoring	More frequently than annually
% of owned and/or managed properties with signed Terms of Commitment of the Environmental Regularization Program (PRA)	Yes	100%	National tools and databases CAR database	More frequently than annually
% of owned and/or managed properties with no gross deforestation after July 2008	Yes	100%	National tools and databases CAR database Satellite imagery Internal monitoring External consultants Supplier documentation Supplier audits	More frequently than annually
% of suppliers registered on the Rural Environmental Registry (CAR) database, with active status	Yes	100%	National tools and databases CAR database Satellite imagery	More frequently than annually

			Internal monitoring External consultants Supplier documentation Supplier audits Independent audits	
% of suppliers with Legal Reserve (RL) and/or Permanent Protected Area (APP) deficit	Yes	1-10%	National tools and databases CAR database Satellite imagery Internal monitoring External consultants Supplier documentation Supplier audits Independent audits	More frequently than annually
% of suppliers with signed Terms of Commitment of the Environmental Regularization Program (PRA)	No, but we plan to collect data on this indicator within the next two years			
% of suppliers with no gross deforestation after July 2008	Yes	100%	National tools and databases CAR database Satellite imagery Internal monitoring External consultants Supplier documentation	More frequently than annually

## 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 Code of Business Conduct for Suppliers and reviewing the supply contracts. In-site audits are held by the Natural Resources Team. Suppliers and Dow land must be and were in 2022 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, Dow verifies if the supplier's activities align to the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita—DCC on Pará). To ensure that our process is in accordance with the local regulations, our regulatory team maintains awareness of changes in the Brazilian Forest Code, and we contract with 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:

- Check the harvest planning and define the areas that will be mapped
- Develop and monitor the satellite images and mapping schedule
- Organize received shape files and check for inconsistencies
- Update the forest base with the new project boundaries
- Send a map ("georeferenced PDF" format) to the Forestry Technician responsible for harvesting the Farm
- 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 (RL).

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 the project authorized to be started. If map updating is found to be required, it is carried out. This is the standard in Minas Gerais. 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 and since has been updated using images with an unmanned aerial vehicle (UAV).

**Country/Area of origin**

Brazil

**Law and/or mandatory standard(s)**

Other, please specify  
Code of Business Conduct for Suppliers

**Comment**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials to produce silicon metal at Dow’s manufacturing facilities in Brazil. 80% of Dow consumption of forestry products are sourced from third-parties. In 2012, the Brazilian Forest Code was enacted establishing rules on the control and protection of native vegetation, enhancing actions to reduce deforestation. Among the main drivers of the Forest Code is the expansion of agricultural lands that are linked to wood production. Dow has been auditing all the raw material suppliers to avoid any illegal deforestation and to have Forest Stewardship Council (FSC) certification in supplier's own lands. Dow is committed to no deforestation or conversion of natural ecosystems on its direct operations. Dow follows forest management practices to ensure that timber commodities are compliant with local regulations and have source traceability. External suppliers are tracked to ensure they do not participate in illegal deforestation practices. Forest management is verified if the documentation and licensing follow 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.

**F6.7**

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

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	Yes, working with smallholders	Supply chain mapping Capacity building	Supplier audits Offering on-site technical assistance and extension services	407	In 2016, Dow acquired the "Fomentos", smallholders' contracts in the Minas Gerais state. In 2018, we worked on a detailed risk assessment, and from 2020-2022, Dow

			<p>Providing agricultural inputs</p> <p>Disseminating technical materials</p> <p>Investing in pilot projects</p> <p>Prioritizing support for smallholders in high-risk deforestation regions</p>		<p>structured a compliance program. This program continued to be in place in 2022. Our technical team, as part of our natural resources structure, visits the smallholders every other month to guide them on best technical practices and to conduct compliance audits. Our compliance program tracks the outstanding actions and audits via a checklist (F4.5a attachment) monthly. We invite the Cadastro Ambiental Rural-CAR to the “Fomentos” and in 2022, in person visits to the 407 smallholders were completed to validate the information around the APP (area de preservacao permanente).</p>
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## F6.8

**(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.**

**Forest risk commodity**

Timber products

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Supply chain mapping

Capacity building



### **Details of engagement**

- Supplier audits
- Offering on-site training and technical assistance
- Organizing capacity building events

### **Description of engagement**

Dow audits for compliance starting with our purchasing team verifying our supplier's adherence to Dow's Code of Business Conduct for Suppliers and reviewing the supply contracts. Onsite audits are held by Dow's natural resources team throughout the year since 2019 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, Dow verifies activities alignment to the cutting declaration (Declaração de Corte de Floresta - DCF on Minas Gerais or Declaração de Corte e Colheita–DCC on Pará). To ensure that our process is in accordance with 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:

- Check the harvest planning and define the areas that will be mapped
- Develop and monitor the satellite images and mapping schedule
- Organize received shape files and check for inconsistencies
- Update the forest base with the new project boundaries
- Send a map ("georeferenced PDF" format) to the Forestry Technician responsible for harvesting the Farm
- 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 (RL).

Dow held supplier events in 2022 for Diversity & Inclusion, and forestry best practices. The suppliers are incentivized to demarcate the boundaries in the field and only after a second visit by the technician responsible for validating the markings is the project 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 and has since been updated using images with an unmanned aerial vehicle (UAV).

### **% of suppliers engaged by procurement spend covered by engagement**

100

### **Explain the impact of your engagement on the selected action**

Charcoal and woodchips are forestry products and along with quartz, are the raw materials to produce silicon metal at Dow's manufacturing facilities in Brazil. 80% of Dow consumption of forestry products are sourced from third-parties. Dow has been

auditing all the raw material suppliers to avoid any illegal deforestation and to have Forest Stewardship Council (FSC) certification in its own lands. Dow is committed to no deforestation or conversion of natural ecosystems on its direct operations. Dow follows forest management practices to ensure that timber commodities are compliant with local regulations and have source traceability. External suppliers are tracked to ensure they do not participate in illegal deforestation practices as well, Dow shares its best practices for Forest and Water management (Ref. W1.5). Forest management is verified if the documentation and licensing follow 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. To reduce the risks related to wood commodities, Dow commits to increase the overall FSC (Forest Stewardship Council) certification to 70% by 2025 and 100% by 2030. 56% of timber products both harvested and purchased at our Pará location was FSC certified and 33% of our Minas Gerais consumption is certified, summing to an overall of 43% of FSC certification (versus 34% in 2021). The actions to source FSC certified materials resulted in an increase in percent spent with certified suppliers of 123% in 2021 and 14% in 2022 (relative to 2020 spend).

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s)

F6.1a: Zero net/gross deforestation, % of volume third-party certified and % of direct suppliers engaged thru audits in compliance with Dow's Code of Business Conduct for Suppliers.

## F6.9

**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

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**Forest risk commodity**

Timber products

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Supply chain mapping

Capacity building

### **Details of engagement**

- On-site meetings with indirect suppliers
- Supplier audits
- Offering on-site training and technical assistance

### **Description of engagement**

In the case of Minas Gerais, our engagement with the “Fomentos” (smallholders) represents our work beyond the first-tier suppliers reaching out to indirect suppliers. The Fomentos supply the wood to our charcoal suppliers (Tier 1). Tier 1 suppliers are responsible for the eucalyptus that is converted in charcoal and supplied to Dow for the silicon metal process. This supply chain represents around 30% of Charcoal consumption in Minas Gerais.

Dow obtained contracts with local farmers in Minas Gerais called the "Fomentos". In 2018, we implemented a detail risk assessment process from 2019-2022, structuring a reformulated compliance program. Our technical team visits the farmers every other month (including in 2022) to guide smallholders 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 as documented in 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’s environmental bodies, and they also confirm whether the environmental protection areas are protected from activities.

### **Explain the impact of your engagement on the selected action**

Dow audits for compliance starting with our purchasing team verifying our supplier’s adherence to Dow’s Code of Business Conduct for Suppliers and reviewing the supply contracts to ensure that the wood commodity production does not violate the local legislation by verifying activities align to the cutting declaration in accordance with the Brazilian Forest Code. Through Dow’s Code of Business Conduct for Suppliers, 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’s Code of Business Conduct for Suppliers, completing a full analysis of our current standards and industry best practices to ensure that we’re holding our suppliers to the highest standards regarding sustainability, human rights, and environmental health and safety (ref. W1.5). These requirements are built into all new and existing supplier contracts, to ensure they are contractually enforceable. As part of the compliance program for our farms we have a procedure for cut authorization that also includes training on harvesting planning; monitoring of satellite images; and forest base boundaries and georeferenced maps. Suppliers are also trained on the use of Avenza Maps™ to locate APPs and RL. Suppliers are instructed to demarcate the boundaries in the field and only after a second visit by the technician responsible for validating the markings is the project authorized to be started. If map updating is found to be required, it is carried out as 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 and has since been updated, using images with an unmanned aerial vehicle (UAV).

Through this compliance program in the past four years, Dow de-selected two forestry raw materials providers due to compliance concerns with Dow’s Code of Business Conduct for Suppliers, despite their compliance with local legislations, enforcing our zero-deforestation commitment.

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s)

Target 1, 2 and 3

## 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	Explain your process for prioritizing landscapes/jurisdictions for engagement
Row 1	Opportunity for increased human well-being in area Opportunity to protect and restore natural ecosystems Risk of deforestation, forests/land degradation, or conversion of other natural ecosystems Risk of biodiversity loss Risk of human rights issues Risk of supplier non-compliance in area Risk of water stress/shortage Supply of commodities strategically important	Para and Minas Gerais, where we have our operations and consume the commodities, have established jurisdictional and/or landscape initiatives, supporting our commitment with UN’s SDGs targets. The supply of commodities, such as woodchips and charcoal, is strategically and important to Dow and in alignment to our corporate citizenship strategy, the opportunity to increase 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 20% of these acres are a Eucalyptus plantation used for our operations, and 80% is preserved native Amazon Forest. Our presence in 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

		<p>cities and low-productivity agriculture. These economic activities have not yet brought human development to the region but have put several species at risk 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.</p> <p>- Dow is also part of the Mantiqueira Project, led by The Nature Conservancy in the Atlantic Forest. The Atlantic Forest is the most affected biome by anthropization in Brazil. There is a big need to develop activities that can combine social development and forest conservation. Through this project, partners promote the regeneration of this biome while generating carbon credits to Dow and paying the farmers for the environmental services they provide to the communities through the native forest recuperation. The knowledge of the environmental and socioeconomic conditions of the five municipalities chosen - Santos Dumont, Ewbank da Câmara, Antonio Carlos, Barbacena and Barroso - and of the water basins in the region, is essential for the project to be properly designed and planned with Dow investing \$300K USD in 2022.</p>
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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.**

**Landscape/Jurisdiction ID**

LJ1

**Country/Area**

Brazil

**Name of landscape or jurisdiction area**

Amazon Biome in Pará, Brazil

**Types of partners engaged in the initiative design and implementation**

- Subnational government
- International civil society organization(s)
- National civil society organization(s)
- Local civil society organization(s)
- Local communities

Local producers/smallholder  
International company(ies)  
Direct supplier(s)  
Indirect supplier(s)

### **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

### **Goals supported by engagement**

Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Natural ecosystems conserved and/or restored  
Biodiversity protected and/or restored  
Ecosystem services maintained and/or enhanced  
Decreased ecosystem degradation rate  
Improved standard of living, especially for vulnerable and/or marginalized groups  
Improved business models that enable inclusion (including smallholders)  
Improved capacity for community engagement in multi-stakeholder processes  
Income diversification amongst producers in area  
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach  
Implementation of livelihood activities/practices that reduce pressure on forests  
Uptake of regenerative agriculture (e.g., agroforestry) practices  
Sustainability of other natural resource-based production sectors promoted to and recognized by relevant stakeholders (e.g. mining, natural forest management and non-extractive uses)

### **Company actions supporting approach**

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative  
Help establish effective mechanisms for undertaking human rights due diligence, risk management, monitoring, verification, and grievance resolution  
Share spatial data and land management plans with other stakeholders in the landscape/jurisdiction  
Engage stakeholders on importance of conservation, restoration and/or rehabilitation  
Communicate externally the business case for investing in landscapes/jurisdiction  
Support communities and smallholders in gaining access to incentives (e.g. support achieving certification, group formation, getting land title, packaging access to loans, preferential sourcing etc.)  
Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)

### Description of engagement

In 2021, Dow launched Project Yba in Brazil with an investment of \$200K USD from Dow's Business Impact Fund. In 2022, additional \$90K USD were invested in the same project with the objective to generate social development through the forest preservation in the Amazon biome in Brazil, close to Dow's Breu Branco operations in Pará. In collaboration with the Peabiru Institute (local NGO), this project mapped the species with commercial potential in our 38K hectares of conserved forest and developed a local association, with the support from our customer Natura, that sustainably harvest and sell Andiroba seeds collected at Dow's land to the cosmetic industry. We are also collaborating with The Nature Conservancy (TNC – International NGO) to measure the ecosystems services offered to the community through Dow's conserved areas. Since the project launch, some milestones were achieved:

- Completed biodiversity mapping of Dow's land evaluate its potential as a source for bioactives identifying 17 species of commercial interest. The project focused on Andiroba due to its interesting value chain.
- Completed 22 social field visits to identify a local community as a commercial partner for the association. Mamorana community was selected. Dow, Peabiru and Natura developed the local association to harvest and sell bioactives. The community was trained on phenology, sustainable harvesting techniques, forest management, first aid and entrepreneurial skills.

With the learnings of Project Yba, Dow and Peabiru also implemented a second project in the region called Amazon Beeing, where 50 beehives with native stingless bees were settled in Mamorana community thru an investment of \$30K USD. The beehives are estimated to produce up to 100Kg of honey by Dec 2024, generating extra income to the community while providing biodiversity support through pollination.

### Engagement start year

2020

### Engagement end year

Not defined

### Estimated investment over the project period (currency)

290,000

### Is a collective monitoring framework used to measure progress?

Yes, progress is collectively monitored using a shared external framework, please specify

Extra income generation to the village.

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

During the year of 2022, several actions were continuously taken on Project Yba to guarantee its development. Dow, Peabiru and The Nature Conservancy (TNC) finished the detailed mapping in 54ha of Dow's property, identifying 85 Andiroba trees with a potential to sustainably generate 15MT of seeds per year to the community. Dow and

TNC also finalize a comprehensive mapping of biodiversity at two Dow eucalyptus plantations and 38k ha of conserved rainforest, emerging on deeper understanding of the ecosystem services provided by Dow's conserved forest, biodiversity performance its preserved levels of biodiversity.

By the end of 2022, the community had the beehives installed and had prepared for its first andiroba harvesting.

This preparation included:

- Promoting the exchange of knowledge between Mamorana community and other Natura's community suppliers.

- Training the community on phenology, sustainable harvesting techniques, forest management, first-aid and entrepreneurial skills.

- Construction of greenhouse for seeds drying and workshop on best practices.

Dow has been externally communicating this project and its milestones in our environmental, social and governance report (ref. F4.5a attachments), following up with Peabiru, Natura and TNC on by-weekly basis.

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### **Landscape/Jurisdiction ID**

LJ2

### **Country/Area**

Brazil

### **Name of landscape or jurisdiction area**

Atlantic Forest in Minas Gerais, Brazil

### **Types of partners engaged in the initiative design and implementation**

Subnational government

International civil society organization(s)

Local civil society organization(s)

Local forest/rural associations

Indigenous peoples

Local communities

Local producers/smallholder

National/local company(ies)

Academics/ researchers

### **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

### **Goals supported by engagement**

Improved rate of carbon sequestration (e.g., through restoration)



Avoided deforestation/conversion of natural ecosystems and/or decreased degradation rate  
Forest fires monitored and prevented  
Adequate water availability and quality (e.g. Water, Sanitation and Hygiene (WASH) services)  
Increased and/or maintained protected areas  
Natural ecosystems conserved and/or restored  
Biodiversity protected and/or restored  
Ecosystem services maintained and/or enhanced  
Payments for Ecosystem Services (PES) scheme in place  
Decreased ecosystem degradation rate  
Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management  
Governance forums that represent all relevant stakeholders in place and maintained  
Improved business models that enable inclusion (including smallholders)  
Improved capacity for community engagement in multi-stakeholder processes  
Income diversification amongst producers in area  
Ensuring local communities and smallholders benefit from the outcomes of LA/JA approach  
Implementation of livelihood activities/practices that reduce pressure on forests  
Increased uptake of certification  
Improved and/or maintained soil health

### **Company actions supporting approach**

Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative  
Collaborate on landscape sustainability assessments through participatory mapping  
Collaborate on establishing and managing monitoring system(s) for deforestation, natural ecosystem conversion and/or degradation  
Identify and map stakeholders (including vulnerable and/or marginalized groups) and encourage their engagement in multi-stakeholder processes  
Collaborate to maintain representation from all relevant stakeholders within governance structure of initiative  
Share spatial data and land management plans with other stakeholders in the landscape/jurisdiction  
Engage stakeholders on importance of conservation, restoration and/or rehabilitation  
Communicate externally the business case for investing in landscapes/jurisdiction  
Support local governments (or equivalent) to enhance landscape governance structure, and provide them with resources to develop and implement sustainable landscape policies and/or management plan(s)  
Collaborate on integrated watershed management and remediation activities  
Capacity building for farmers, smallholders and local communities to implement good agricultural practices (including improved efficiency, crop diversification and adoption of certification)  
Support indigenous peoples and local communities to clarify and secure land tenure rights

### **Description of engagement**

In 2022, Dow launched the project “Reforestation, Carbon Capture and Social Development on the Atlantic Forest” receiving an investment of \$300K USD. The goal of the project is to develop a new business model for carbon capture projects that address climate change, conserve biodiversity-based and support local communities and smallholders. The activities will be carried out in private properties located in the Mantiqueira region. In exchange, the owners of such private properties shall receive Payment for Environmental Services (PES) in cash payments and inputs as appropriate incentives for them to regenerate and/or restore their degraded lands, in compliance with Brazilian Environmental laws and rules in force, especially Law 14.119/21. The Carbon Project conducted by TNC intends to generate Carbon Credits or Verified Carbon Unit (VCUs), as referred by the Verified Carbon Standard (VCS), following guiding principles, such as measurability, permanence, additionality, and transparency, besides being conservative, real, and independently audited, in total accordance with the applicable VERRA methodology.

### **Engagement start year**

2021

### **Engagement end year**

Not defined

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

300,000

### **Is a collective monitoring framework used to measure progress?**

Yes, progress is collectively monitored using a shared external framework, please specify

Project Mantiqueira as specified by The Nature Conservancy

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

Progress is collectively monitored using a shared external framework in collaboration with The Nature Conservancy. Achievements are tracked on a regular basis and include the following:

H2/2022: Project proposal, engage TNC, grant budget, delimitate area of impact – accomplished.

Q1/23 – Assessment and qualification of prospected areas: conduct of a carbon project eligibility assessment with social and biodiversity measurement

Q2/23 – Structuring the Project through:

Summary description of the basic social parameters: Main settlements, land use and economic activities, historic conditions, socio-cultural information.

Mapping the project zone: boundaries, location of communities, specify high conservation value areas, areas where offsite biodiversity impacts are predicted.

Q3/23 – Landowners engagement: Introduction of the program to rural landowners, including the areas with Free Prior Informed Consent (FPIC), sign contracts, establish carbon project design, development of financial and operational agreements, work with

municipalities to further support the engagement of landowners.

Q4/23- Implement Forest restoration by isolation and conduction of natural regeneration in 25 hectares.

Q1/24 and beyond: monitoring and PES payment, carbon verification.

## F6.10c

**(F6.10c) For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in.**

Indicate landscape/jurisdiction ID	Does any of your commodity production/consumption volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?	Commodity	% of total production/consumption volume from this landscape/jurisdiction
LJ1	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Timber products	44
LJ2	Yes, we do produce/consume from this landscape/jurisdiction, and we are able/willing to disclose volume data	Timber products	56

## 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?**

### 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 participates on the Climate and Biodiversity tracks. Evolving from the 2021 engagement, in 2022, we joined the Brazilian Business Commitment to Biodiversity.

Dow committed and have been working to:

- 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 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 to strengthen the involvement with the conservation of biodiversity and maintenance of ecosystem services.

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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

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 UNGC Ten Principles and that we progress against these each year via our communication of progress submission and reaffirmation within our annual sustainability report (INtersections: 2022 Progress Report: Advancing our Ambition). 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.

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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

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 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), Task Force of Nature-Related Financial Disclosures (TNFD)

### **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 and continue to do so in 2022. 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. In 2022, 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 contribute 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 2022, 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.

Dow is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) forum providing support and feedback of final recommendations. Dow has agreed to lead the development of the Chemical Sector specific guidance.

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### **Forest risk commodity**

Timber products

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

Yes

### **Activities**

Involved in industry platforms

### **Country/Area**

Brazil

### **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), allow us to engage with companies that produce or consume timber products to discuss in technical chambers themes such as carbon market/pricing, industry efficiency, charcoal and wood production, and propose best practices.

## **F6.12**

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term 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).**

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### Project reference

Project 1

### Project type

Set aside land

### Expected benefits of project

Contribution to net zero goals  
Creation of green jobs and sustainable livelihoods  
Disaster risk reduction  
Improvement of standard of living, especially for vulnerable and/or marginalized groups  
Improvement of water availability and quality  
Improvement to soil health  
Improvement to sustainability of production practices  
Increase in carbon sequestration  
Net gain in biodiversity and ecosystem integrity  
Reduce/halt biodiversity loss  
Reduction of GHG emissions  
Restoration of natural ecosystem(s)

### Is this project originating any carbon credits?

No

### Description of project

In 2021, Dow launched Project Yba in Brazil with an investment of \$200K USD from Dow's Business Impact Fund. In 2022, additional \$90K USD were invested in the same project with the objective to generate social development through the forest preservation in the Amazon biome in Brazil, close to Dow's Breu Branco operations in Pará. The project is being implemented on Dow's conserved forest in Breu Branco. In collaboration with the Peabiru Institute (local NGO), this project mapped the species with commercial potential in our 38K hectares of conserved forest and developed a local association, with the support from our customer Natura, that sustainably harvest and sell Andiroba seeds collected at Dow's land to the cosmetic industry.

We are also collaborating with The Nature Conservancy (TNC – International NGO) to measure the ecosystems services offered to the community through Dow's conserved areas. Since the project launch, some milestones were achieved:

- Completed biodiversity mapping of Dow's land evaluate its potential as a source for bioactives identifying 17 species of commercial interest. The project focused on Andiroba due to its interesting value chain.



- Completed 22 social field visits to identify a local community as a commercial partner for the association. Mamorana community was selected. Dow, Peabiru and Natura developed the local association to harvest and sell bioactives. The community was trained on phenology, sustainable harvesting techniques, forest management, first aid and entrepreneurial skills.

With the learnings of Project Yba, Dow and Peabiru also implemented a second project in the region called Amazon Beeing, where 50 beehives with native stingless bees were settled in Mamorana community thru an investment of \$30K USD. The beehives are estimated to produce up to 100Kg of honey by Dec 2024, generating extra income to the community while providing biodiversity support through pollination.

**Where is the project taking place in relation to your value chain?**

Project based in sourcing area(s)

**Start year**

2021

**Target year**

2025

**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

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

290,000

**For which of your expected benefits are you monitoring progress?**

Contribution to net zero goals

Creation of green jobs and sustainable livelihoods

Further transformative change through sharing of project design, implementation and lessons learnt

Improvement of standard of living, especially for vulnerable and/or marginalized groups

Improvement to soil health

Net gain in biodiversity and ecosystem integrity

Reduce/halt biodiversity loss  
Restoration of natural ecosystem(s)

**Please explain**

In 2021, Dow launched Project Yba in Brazil with an investment of \$200K USD from Dow’s Business Impact Fund. In 2022, additional \$90K USD were invested in the same project with the objective to generate social development through the forest preservation in the Amazon biome in Brazil close to Dow plant in Pará. This project mapped the species with commercial potential in our 38K hectares of conserved forest and developed a local association, with the support from our customer Natura, that sustainably harvest and sell Andiroba seeds collected at Dow’s land to the cosmetic industry. We are also collaborating with The Nature Conservancy (TNC – International NGO) to measure the ecosystems services offered to the community through Dow’s conserved areas.

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**Project reference**

Project 2

**Project type**

Natural regeneration

**Expected benefits of project**

Carbon credits gained  
Creation of green jobs and sustainable livelihoods  
Disaster risk reduction  
Further transformative change through sharing of project design, implementation and lessons learnt  
Improvement of standard of living, especially for vulnerable and/or marginalized groups  
Improvement of water availability and quality  
Improvement to soil health  
Increase in carbon sequestration  
Net gain in biodiversity and ecosystem integrity  
Reduce/halt biodiversity loss  
Restoration of natural ecosystem(s)

**Is this project originating any carbon credits?**

Yes

**Description of project**

In 2022, Dow launched the project “Reforestation, Carbon Capture and Social Development on the Atlantic Forest” receiving an investment of \$300K USD. The goal of the project is to develop a new business model for carbon capture projects that address climate change, conserve biodiversity-based, as well as support local communities and smallholders. The activities will be carried out in private properties located in the Mantiqueira region. In exchange, the owners of such private properties shall receive Payment for Environmental Services (PES) in cash payments and inputs as appropriate

incentives for them to regenerate and/or restore their degraded lands, in compliance with Brazilian Environmental laws and rules in force, especially Law 14.119/21.

**Where is the project taking place in relation to your value chain?**

Project based in sourcing area(s)

**Start year**

2022

**Target year**

2046-2050

**Project area to date (Hectares)**

25

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

25

**Country/Area**

Brazil

**Latitude**

-21.5081

**Longitude**

-43.6105

**Monitoring frequency**

Six-monthly or more frequently

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

300,000

**For which of your expected benefits are you monitoring progress?**

- Carbon credits gained
- Contribution to net zero goals
- Creation of green jobs and sustainable livelihoods
- Disaster risk reduction
- Further transformative change through sharing of project design, implementation and lessons learnt
- Improvement of water availability and quality
- Improvement to soil health
- Improvement to sustainability of production practice
- Increase in carbon sequestration
- Net gain in biodiversity and ecosystem integrity
- Reduce/halt biodiversity loss
- Reduction of GHG emissions

**Please explain**

The activities will be carried out in private properties located in the Mantiqueira region. In exchange, the owners of such private properties shall receive Payment for Environmental Services (PES) in the form of cash payments and inputs as appropriate incentives for them to regenerate and/or restore their degraded lands, in compliance with Brazilian Environmental laws and rules in force, especially Law 14.119/21.

Key milestones and accomplishments:

H2/2022: Project proposal, engage TNC, grant budget, delimitate area of impact – accomplished.

Q1/23 – Assessment and qualification of prospected areas: conduct of a carbon project eligibility assessment with social and biodiversity measurement

Q2/23 – Structuring the Project through:

Summary description of the basic social parameters: Main settlements, land use and economic activities, historic conditions, socio-cultural information.

Mapping the project zone: boundaries, location of communities, specify high conservation value areas, areas where offsite biodiversity impacts are predicted.

Q3/23 – Landowners engagement: Introduction of the program to rural landowners, including the areas with Free Prior Informed Consent (FPIC), sign contracts, establish carbon project design.

## F7. Verification

### F7.1

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

Yes

### F7.1a

**(F7.1a) Which data points within your CDP disclosure have been verified, and which standards were used?**

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#### Disclosure module

F2. Procedures

#### Data points verified

F 2.1b

-Impact on water security

-Corruption

-Social impacts

-Other, please specify: Supply Chain

-Climate change (partially)

F2.1c

- Employees
- Customers
- Local communities
- Investors (partially)
- NGOs (partially)
- Suppliers (partially)

### **Verification standard**

Deloitte & Touche LLP's Independent Accountants' Review Report describing the scope of their review engagement on Dow's 2022 INtersections Report and the assertion that the disclosures in the report are presented in accordance with the 2021 Global Reporting Initiative Sustainability Reporting Standards can be found on page 175 of the 2022 INtersections Report.

<https://corporate.dow.com/content/dam/corp/documents/about/066-00432-01-2022-progress-report.pdf>

Deloitte & Touche's review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) in AT-C section 105, Concepts Common to All Attestation Engagements, and AT-C section 210, Review Engagements.

### **Please explain**

We prepared and presented our report in accordance with the 2021 GRI Reporting Standards and engaged Deloitte & Touche LLP to perform a review engagement on management's assertion related to the disclosures referenced or included in the GRI Content Index as of, and for the year ended December 31, 2022. Information outside of the GRI Content Index included in the 2022 INtersections Report, including linked information, was not subject to Deloitte & Touche LLP's review and, accordingly, Deloitte & Touche LLP does not express a conclusion or any form of assurance on such information.

## **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 intensify 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 of our program by also bringing an external company to support our compliance agenda and audits. Both activities continued in 2022.

To ensure that the timber commodities comply 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 Brazil Forest Code and labor legislation. 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 (ref F4.5a). 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

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. From 2019 – 2022 to mitigate the risks, we intensified our compliance

program by bringing more technically capable people to our natural resources team. The audit program and external certifications are limited to Dow 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**

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 see the need to have more suppliers available in the market aligned with Dow values and environmental, social and governance goals. We have been working with suppliers on development programs but the number of charcoal and woodchips suppliers that meet the expected compliance and are aligned with Dow's Supplier Code of Conduct is limited.

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**Forest risk commodity**

Timber products

**Coverage**

Supply chain

**Main measure**

Greater customer awareness

**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. From 2019-2022, to mitigate the risks, we intensified our compliance program by bringing more technically capable people to our natural resources team. We see the need to have more suppliers available in the market aligned with Dow values and environmental, social and governance goals. We have been working with suppliers on development programs but the number of charcoal and woodchips suppliers that meet the expected compliance and are aligned with Dow's Code of Business Conduct for suppliers 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; any global and regional economic impacts of a pandemic or other public health-related risks and events on Dow’s business; any sanctions, 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, 2022 and the Company’s subsequent Quarterly Reports on Form 10-Q. 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 Inc. and The Dow Chemical Company (“TDCC”) assume 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	CEO	Chief Executive Officer (CEO)

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public