



## A sustainable future is an inclusive future



“Sustainability is a journey, and not a destination. We’re constantly improving, evolving, and innovating. We’re never done with being more sustainable at Dow.”

- *Mary Draves, Chief Sustainability Officer and Vice President, Environment, Health and Safety*

Dow is seeking to take a holistic approach to sustainability and looking at global challenges such as climate change, plastic waste and inequality as interconnected issues...

No one left behind.

This is the powerful, transformative promise of the United Nations’ 2030 Agenda and Sustainable Development Goals. It acknowledges a sustainable future is only truly sustainable if it includes all people, no matter their race, geography, gender, religion or income level.

Last week, we released our [2019 Sustainability Report](#) and announced new sustainability targets aimed at ending plastic waste and achieving carbon neutrality by 2050. As our Chairman and Chief Executive Officer Jim Fitterling wrote in a [blog post](#), Dow is seeking to take a holistic approach to sustainability and looking at global challenges such as climate change, plastic waste and inequality as interconnected issues, not isolated problems. By understanding how one global challenge impacts the other, we are striving to take a collaborative, systematic approach to tackling these issues.

### Empowering waste pickers

Take our approach to stopping the flow of plastic waste and transforming to a circular economy. We understand that we can’t ignore the economy part of the circular economy, and we can’t address

circularity without addressing inequality. So, where many see waste, we see opportunity. Opportunity to create jobs, stimulate innovation, boost the resilience and vibrancy of local economies, and contribute to economic growth.



One way that we are putting people and opportunity at the heart of the circular economy is by partnering to support waste pickers. Waste pickers account for 15-20% of waste collection globally and make a living by selling both recyclable and reusable materials that have been thrown away. These “wastepreneurs” contribute to public health and safety, reduce pollution, and help their local economies. Yet often they face poor living and working conditions,

discrimination and low social status.

In our sustainability report, we detail how we are helping support waste cooperatives, in which sales are equally divided among waste pickers:

- ❖ In Brazil, we have partnered with Boomera and the nonprofit Fundación Avina to create [Recycling for a Change](#), a program that seeks to strengthen the business model of waste cooperatives in the state of São Paulo through improved training, equipment, administration and professional development. In its first year, the five participating waste cooperatives averaged a productivity increase of 38% and a revenue increase of 35%. In some cooperatives, results were even higher, achieving up to 68% increase in per capita revenue and 66% decrease in loss of materials.
- ❖ Through our social initiative [Project Butterfly](#) in Africa, we’ve teamed up with the nonprofits to empower local recyclers and waste pickers to generate more income. In South Africa, we funded the expansion of the nonprofit WILDTRUST’s Recycling Villages, which includes collection points in schools, shopping centers and other public areas – enabling the potential collection of more than 1,200,000 kilograms (or 2.6 million pounds) of recyclable waste each year from approximately 10,000 local homes. This project runs hand in hand with Recycling for Life which enables communities and individuals (waste pickers) to improve their living environment by collecting waste in and around their environment and recycling and trading it with WILDTRUST in exchange for cash. To date, hundreds of waste pickers have participated in the initiative, generating reliable income through the collection and exchange of recyclable waste. More than 75% of these waste pickers are women, helping people like Duduzile Magubane, a single mother, earn a living wage and provide for her children.

We also recently announced the [Waste Collector COVID-19 Support Fund](#) through GlobalGiving, a nonprofit crowdfunding platform, to help protect these vulnerable workers during the pandemic.

### **Rethinking business as usual**

There’s room for everybody in a sustainable, environmentally beneficial economy, but it will take a shift in thinking by businesses to help achieve it. By applying holistic thinking to our sustainability efforts, we can help redefine the notion of growth, so it puts the well-being of people and the planet at the center – providing greater economic opportunity, better natural resource management and improved outcomes for all.

## Your Dow benefits are centered around you, helping you live a healthy and vibrant life.

### Benefits Open Enrollment

Open enrollment for U.S. retirees will be held November 2-16, 2020. Retirees will receive a “What’s New” newsletter and separate personalized Benefits Enrollment Statement in the mail. In addition, the Dow Benefits enrollment website ([dowbenefits.ehr.com](http://dowbenefits.ehr.com)) will provide retirees with online access to their benefits as well as several benefit decision support tools. Enrollment information will also be available on [www.dowbenefits.com](http://www.dowbenefits.com).



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### Pension Benefit - Is that really you, Dow?



We want to let our Dow friends know that we are currently trying to reach individuals who are not yet receiving their pension benefit but should be.

In late August, the Dow Retiree Service Center will be mailing postcards regarding pension benefits which may have been accrued during past employment service with Dow or one of its current or former affiliates (or during the past employment service of a deceased or former spouse). Due to various mergers and acquisitions over the years, retirement benefits may have been accrued through a number of employers. Examples include Union Carbide, Rohm and Haas Company, Morton International, Inc. and many others. A former employer may have become affiliated with Dow after employment ended.

If one of your friends or neighbors receives a postcard from Dow, please encourage them to take action by calling the Dow Retiree Service Center at (800) 344-0661 to speak to a Dow Representative and start the process of confirming their benefit.

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### Local United Way campaigns

This year is one for the history books. We have faced challenges like never before. But it is not just what happens to us, but how we show up that matters. Our strength comes from our unity—which is why Dow has partnered with United Way for nearly 100 years.



In the next few weeks, you may receive a letter asking for your support for this year’s United Way campaign. Please consider making a contribution. Because of this historic pandemic and other struggles, more people will need our help, many for the first time. The demands on United Way and their nonprofit partners will be bigger than ever before.

Any donation you make will directly contribute towards the long-term recovery and success of the communities where we live and work. Each and every one of us can make a difference, but together we can move mountains.

Learn more about your local United Way program [here](#).

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## **We are listening. And, just as importantly, we're taking action to accelerate change and address racism, inequality, and injustice.**

In keeping with this commitment – and our commitments as a company to build an inclusive culture – our leadership team spent time listening to our colleagues and external partners. It's something we should have been doing better all along.

*As one of my colleagues so eloquently put it in an email this week: "... if people would have been listening all along, we would have known that people of color have been saying, "I can't breathe" for many years. Maybe we would have heard what Colin Kaepernick and other athletes were saying when they took a knee."*



We are listening. And, just as importantly, we're taking action to accelerate change and address racism, inequality, and injustice.

Reflecting back, until now, we hadn't fully committed to our significant role here. In the pursuit of our ambition – which includes becoming the most inclusive materials science company in the world – we have certainly made dedicated efforts to address issues of bias and injustice in the past. But these efforts have not been enough.

We know we must do better going forward, fully committing to our foundational responsibility of human decency. It is both the smart thing to do and the right thing to do ... for business and for society. But overcoming hundreds of years of systemic racism will require a holistic approach and long-term action from all of us.

We're committing to anti-racism through a series of strategic actions; and we pledge \$5 million over the next five years to help advance racial equality and social justice.

We must ACT, together.

With this strategic framework, which has been reviewed and fully supported by our Dow Board of Directors, we recommit to existing actions, outline a set of new actions we'll take to move the needle, and put forth further actions that will accelerate us towards our ambition.

### **Advocacy**

As a member of the LGBTQ+ community, I recognize the importance of corporate advocacy in achieving the advancements we've made. And Dow has been at the forefront of that work – offering numerous public statements supporting and opposing proposed legislation and court rulings at the



state, federal and international level, and working diligently to offer our LGBTQ+ employees the most inclusive policies and practices possible.

We will take similar actions to address racism and racial inequality, such as...

- ❖ Establishing a cross-functional Social Justice Council to monitor matters of inequality and advise Dow on our response.
- ❖ Driving policy change through engagement at the U.S. state and federal levels, including with the Congressional Black Caucus, and directing funding to organizations dedicated to fighting racial injustice, including judicial reform, healthcare disparities and economic inequalities in the Black community.
- ❖ Providing paid time off for all employees for voting in the U.S. and leveraging employee resource groups for voter registration campaigns.

## Community

When faced with the global COVID-19 pandemic, we announced financial support locally and worldwide, and Team Dow changed processes to ensure the safety and wellbeing of our people and stakeholders. Additionally, when catastrophic flooding affected the region near our global headquarters, we offered financial support to local organizations and employees, and Team Dow built a distribution network to get relief materials directly to where they were most needed.

Our community response to racism and racial inequality should be no different. We will...

- ❖ Recommit through our Dow Promise Grant Program to positively impact Black communities near Dow locations, where economic and educational challenges may be barriers to success.
- ❖ Include Martin Luther King Jr. Day as a U.S. paid holiday and an opportunity for a day of service. This is an action we should've taken long ago; and it's a shame it took us until now to recognize this important national holiday.
- ❖ Ensure our procurement practices eliminate any barriers for Black-owned and all minority-owned enterprises to do business with Dow and influence our entire supply chain to do the same.

## Talent

We have work to do to improve the diversity of Dow's workforce and our talent pipeline. As noted in our [2019 Inclusion Report](#), Black employees make up 8.5% of our U.S. employee population. According to the 2019 U.S. Census Bureau's estimates, the U.S. population is [13.4% Black](#).

To improve representation across all levels of the company and help ensure our workforce reflects the stakeholders we serve, we will...

- ❖ Ensure a strong focus on retention and development of our Black employees.
- ❖ Build a more diverse talent pipeline for Dow and our industry through further strategic investment in historically Black colleges and universities, and community college skilled trades programs.
- ❖ Redouble our efforts and maximize the impact of our existing diversity recruiting programs, such as [Diamond Symposium](#) and [BEST Symposium](#).

- ❖ Require racial equity and advanced inclusion training for all our leaders and Human Resources professionals.

I am committed to leading Team Dow and supporting our external partners every step of the way as we progress on this plan. This is our starting point, but we know it can be improved upon. Further details will be added, and our plan will evolve. The listening cannot – and will not – stop.

As a manufacturing company – and as an engineer myself – we tend to focus on process ... creating or improving a given process to solve a defined challenge. But addressing this challenge can't be a process-focused endeavor. We must focus on our people.

We'll do this by listening, learning, adapting and committing to be a part of the ongoing solution. We don't have all the answers. But this we do know: **Black Lives Matter**.

[Jim Fitterling](#)

*Chairman and CEO*

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## **Dow sets targets to reduce GHG emissions, stop plastic waste, and drive toward a circular economy**



[Dow](#) today announced aggressive new commitments to address both climate change and plastic waste on its path toward becoming the most innovative, customer-centric, inclusive and sustainable materials science company in the world. The Company also issued its 2019 Sustainability Report for the 17th consecutive year, outlining progress and results aligned to its [2025 Sustainability Goals](#).

“Today’s announcement is the next step in our sustainability journey that began more than 30 years ago. Climate change and plastic waste are among the greatest technical, social, and economic issues the world has ever faced, and our products and technology are critical to addressing both,” said Jim Fitterling, Dow chairman and chief executive officer. “At Dow, we have a responsibility and an opportunity to lead in addressing these global challenges. A sustainable future is attainable, but only if we continue to tackle these issues head-on, hold ourselves accountable, and work together to enable new science- and technology-based solutions that directly address both climate change and plastic waste.”

Dow’s [new sustainability targets](#), which align to and build upon its 2025 Sustainability Goals, include:

- ❖ **Protect the Climate:** By 2030, Dow will reduce its net annual carbon emissions by 5 million metric tons, or 15% from its 2020 baseline. Additionally, Dow intends to be carbon neutral by 2050, in alignment with the Paris Agreement. The Company is committed to implementing and advancing technologies to manufacture products using fewer resources and that help customers reduce their carbon footprints.

- ❖ **Stop the Waste:** By 2030, Dow will help “stop the waste” by enabling 1 million metric tons of plastic to be collected, reused or recycled through its direct actions and partnerships. The company is investing and collaborating in key technologies and infrastructure to significantly increase global recycling.
- ❖ **Close the Loop:** By 2035, Dow will help “close the loop” by having 100% of its products sold into packaging applications be reusable or recyclable. Dow is committed to redesigning and offering reusable or recyclable solutions for packaging applications.

In addition to numerous actions Dow has already taken around the world to achieve its sustainability targets, Dow confirmed today it has entered into new [renewable power agreements](#) for its manufacturing facilities in Argentina, Brazil, Texas, and Kentucky, securing 338 more megawatts of power capacity from renewable sources, representing an expected reduction of more than 225,000 metric tons of CO<sub>2</sub>e. The Company is on track to exceed its target to source 750 MW of renewable power capacity by 2025.

Many Dow products lower customers’ emissions more than the carbon emissions used to produce them, through lighter and more fuel-efficient autos; more energy efficient buildings; and food that stays safe and fresh longer – all critical for a world set to add 2 billion people by 2050.

Today Dow also introduced a new line of [mechanically recycled plastic resins](#) for flexible and rigid plastic packaging applications which have the potential to reduce carbon and energy footprints of applications by up to 20-30 percent.

Dow’s plastic waste goals are designed to ensure that its investments and collaboration, including its commitments to and investments in the [Alliance to End Plastic Waste](#) and [Circulate Capital](#), have clear targets to stop waste from getting into the environment and to lead the materials science industry toward a circular economy. [Click here](#) for more examples of Dow’s actions to advance recycling technologies, help customers design products for recycling and support infrastructure and education projects.

“Reducing the impact of climate change and eliminating plastic waste are societal challenges that are closely linked. As a producer of technologies that are essential to a low carbon economy, we are developing and investing in new production processes that are low-emission and optimally efficient. And we’re now looking at waste as a resource that will enable us to continue to innovate sustainable materials,” said Mary Draves, Dow vice president and chief sustainability officer.

Dow will also collaborate with leading academics, NGOs, auditing experts, technology partners and others in industry to incentivize the development and commercialization of low-carbon products and technologies that ultimately lower global GHG emissions and to ensure that companies are able to account for those GHG reductions. Dow intends to share more information about this collaboration later this year.

As outlined in Dow's 2019 [Sustainability Report](#) released today, the Company has made significant progress against its 2025 Sustainability Goals. For example, since 2006, Dow has:

- ❖ Reduced its GHG emissions by 15 percent,
- ❖ Incorporated a carbon price into its business planning,
- ❖ Invested in renewable power capacity – Dow is the number one user of clean energy in the chemicals industry and ranks among the top 25 global corporations in terms of renewable power use.

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## Dow leaders achieve top recognition on 2020 EMpower Ethnic Minority Role Model lists

The EMpower Ethnic Minority Role Model lists showcase business leaders who are breaking down barriers at work for ethnic minorities in the U.K., Ireland, Europe, and people of color in the United States and Canada. Honorees have achieved success in their own careers, and actively use their platform to advance inclusion in the workplace.



“Diversity in the workplace is a catalyst for business success,” said Karen S. Carter, chief human resources officer and chief inclusion officer. “And in order to attract and retain the best talent worldwide, compete globally and deliver the most value to our stakeholders, we are focused on creating an inclusive culture. This recognition reflects the progress we have made, and we are committed to striving for more.”

Dow leaders named to the 2020 EMpower Ethnic Minority Role Model lists include:

- ❖ Top 20 Advocates List, #4
  - [Jim Fitterling](#), chairman and chief executive officer  
Executive sponsor, Global African Affinity Network
- ❖ 100 Ethnic Minority Executives List, #1
  - [Mauro Gregorio](#), president, Dow Performance Materials & Coatings; Latin America oversight  
Executive sponsor, Hispanic and Latin Network
- ❖ 100 Ethnic Minority Executives List, #44
  - [Karen S. Carter](#), chief human resources officer and chief inclusion officer
- ❖ 100 Ethnic Minority Future Leaders List, #8
  - Rhonda Pelton, Operational Excellence Leader, TES Process Automation  
Leadership council member, Global African Affinity Network
- ❖ 100 Ethnic Minority Future Leaders List, #32
  - Kalyani Martinelango, business analytics leader, Dow Packaging & Specialty Plastics and Hydrocarbons  
Global chair, Asian Diversity Network



On being named the number one Ethnic Minority Executive, Gregorio said, “I am humbled and honored to be recognized for the EMpower Ethnic Minority Role Model Lists alongside my colleagues. This award is not only for me, but for all Dow colleagues I work with. I am proud of working for Dow, a company which values Inclusion & Diversity and has it as part of its DNA. I am able to integrate inclusion in my daily work with my colleagues and my interactions with customers, suppliers and community stakeholders who share the same values.”

The actions and behaviors for which the five leaders earned recognition on the EMpower Ethnic Minority Role Model Lists are critical to addressing racism, inequality, and injustice in society. In a recent blog post, Fitterling wrote about the role of allies and advocacy in overcoming these issues. In the blog post, he also announced the implementation of Dow ACTs, a strategic framework and action plan to help address systemic racism in the U.S. focused on three areas: advocacy, community and talent. As part of this commitment, Dow has pledged \$5 million over the next five years to help advance social justice and racial equality.

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## Dow announced \$1 million in disaster relief funding for flood recovery



In response to the widespread devastation caused by extensive rain and dam failure impacting its global headquarters community, Dow and the Dow Company Foundation announced today \$1 million of financial support for immediate relief and long-term recovery efforts associated with the flooding and its aftermath.

“Michigan’s Great Lakes Bay Region has been Dow’s home for more than 120 years, and we are committed to helping our employees and our neighbors as we recover from this historic flood,” said Jim Fitterling, Dow chairman and chief executive officer. “The safety of our employees, their families and our communities has always been and will always be our number one priority, and we are working closely with our Dow colleagues, local business and nonprofit partners, and government officials to recover, rebuild and move forward even stronger together.”

As a part of this commitment, Dow is collaborating with local partners providing critical services to individuals immediately affected by the flooding.

To help address the needs, Dow will donate:

- ❖ \$250,000 towards a new [Dow Employee Assistance Fund](#) at the Midland Area Community Foundation to help Dow employees who have suffered an emergency hardship as a direct effect from the flooding.
- ❖ \$250,000 to the United Way of Midland County’s [Rise Together Fund](#), providing hope and resources for thousands of families in need throughout Midland County who have been impacted by recent events. These funds will be graciously matched by the Herbert H. and Grace A. Dow Foundation, doubling the support available to the community.
- ❖ \$500,000 for allocation as needs surface throughout the recovery and rebuilding phase.

Additionally, we will continue to work with our community partners to offer volunteer assistance in accordance with COVID-19 health and safety policies.

This donation is in addition to the [previously announced](#) commitment from the Dow Company Foundation to [aid the Great Lakes Bay Region COVID-19 relief efforts](#).

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## COVID 19 – How we're helping

Crisis reveals character – and this moment in history reveals how much spirit and resilience each of us carry. COVID-19 also reveals how deeply people and institutions – public and private, local and international – depend on one another. We can't go it alone. Our food supply depends on countless farmers, truck drivers, and grocery store workers. Healthcare professionals can't save lives safely without supply chains that effectively distribute Personal Protective Equipment, ventilators, disinfectant, hospital beds, and more.



We've got to keep these resources flowing.

Since the beginning of this outbreak we've engaged with local and international organizations around the world to aid frontline workers and help protect vulnerable populations.

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## Sports, sustainability and science: A win-win-win for the triple bottom line



What if we leveraged the power of sport to help build more sustainable communities?

It's widely recognized how sports benefit individual players – building discipline, confidence, fitness and leadership skills. What's less recognized is the positive influence that sporting events can have on a community, especially when it comes to promoting a more sustainable future. From encouraging smarter waste management to building inclusion, sporting events have

the reach to influence hundreds of thousands of people and be an important enabler of sustainable development.

That is why corporations like Dow are increasingly seeing the potential of sponsorships and corporate partnerships for their social as well as commercial value. Through our partnerships with organizations such as the [International Olympic Committee](#) and LPGA, we've seen how collaboration can catalyze efforts and advance environmental, health, education and social inclusion objectives.

## Dow and the LPGA: Hitting the Links Between Golf, Inclusion and Sustainability

Take our commitment as the title sponsor of the [Dow Great Lakes Bay Invitational](#) (Dow GLBI), the only team event for the LPGA. From the start, we saw an opportunity to extend our sponsorship far beyond the golf course and advance sustainability and inclusion in the Great Lakes Bay Region in Michigan. Our [2025 Sustainability Goals](#) seek to develop sustainable frameworks that integrate science and technology, cross-sector collaboration and value chain innovation and lead to increased adoption of solutions that promote a lower-carbon, circular economy and build stronger, more resilient communities. With that in mind, we worked with more than 250 local partners, involved thousands of area youth in leadership and STEM activities, recycled or reused 68 percent of the waste generated from the tournament and benefited 59 community organizations in the event's first year.

Our efforts resulted in two firsts: The 2019 Dow GLBI became the first GEO Certified® golf tournament on the LPGA tour and the first women's event worldwide to achieve GEO certification, an internationally recognized ecolabel developed specifically for the golf industry. Every applicant for the GEO Certified® ecolabel is visited by an accredited, third-party verifier and must demonstrate a positive environment, and economic and social impacts across six categories.

Below are a few takeaways and observations from our experience:

**Start with a vision and long-term stretch goals:** Our Dow team worked with tournament organizers to draft a five-year sustainability plan. Our first year focused on the tournament's footprint. We established a carbon, waste and water baseline and implemented best practices to achieve waste, water and energy savings, while also engaging businesses, vendors and community organizations. In the next couple of years, we'll focus on the tournament's handprint by implementing innovations in carbon offsetting, educational partnerships and ambassador support. Finally, in the fourth and fifth years of the tournament, we hope to share blueprints that can be leveraged by other sporting event organizers in areas such as the circular economy, clean power, net-positive water impact and golf accessibility.



**Invite your collaborators to help problem-solve:** We found the more inclusive we were, the more we generated creative ideas that moved us forward together. A few examples:

- ❖ **Business and community leaders:** During the tournament, we invited community and business leaders to a sustainability breakfast. The goal was to brainstorm one idea that could be implemented to advance sustainability in the community. After discussing a variety of needs, the winning idea was a regional recycling initiative for businesses that leverages learnings from a local community college and is being managed by a regional business alliance. Dow is contributing minimal seed money to implement the project.
- ❖ **Suppliers:** When sharing our sustainable procurement code with vendors, we also invited them to share their best practices and ideas. This resulted in a vendor donating hybrid power generators to power scoreboards, which saved fuel and emissions.
- ❖ **Academia:** We engaged area business students at a local university to pitch project ideas for the tournament as part of their sustainable business management class. Some projects were implemented and resulted in the tournament earning innovation credits during the GEO certification process.



**Find fun and practical ways to educate spectators and reinforce sustainable practices:** To encourage healthier habits, the tournament organizers teamed up with the local hospital to launch the Step for Healthy Living Challenge. Attendees were challenged to track their steps while at the tournament, resulting in more than 1,450 individuals tracking more than 28 million steps. To help minimize waste and encourage recycling, a Green Team of volunteers helped spectators properly sort trash and educated them about better recycling practices. To engage children in science, a free STEM in Sports Center was full of activities and games that children could play – all based on sports and how they relate to STEM. Local sports teams and recreational centers contributed to the exhibit, which is now traveling to area schools and museums.

At first, science and sports may seem like an unlikely combination. Yet, they're both about improving performance and breaking new ground. Both find ways to improve what humans are capable of.

With that in mind, we believe that collaborative partnerships between business and sporting events can drive engagement and advance a series of impactful sustainability projects in communities. That way, long after the competition is done and spectators have gone home, the positive legacy of these events lives on. And that's a win for everyone.

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## Dow wins four 2020 Edison Awards for breakthrough technologies

Four breakthrough technologies from Dow were recognized with prestigious Edison Awards on April 8, 2020. Dow received two silver and two bronze awards in the Materials Science and Engineering category. Since 1987, the Edison Awards have honored the best in innovation and innovators.

A.N.Sreeram, senior vice president, Research & Development, and chief technology officer, said:

“Edison is one of the world’s greatest and most prolific inventors who had a tremendous influence on our modern-day conveniences. Like Dow, his inventions centered on market needs. It is an honor to receive these namesake innovation awards recognizing Dow technologies that solve customer and societal needs and create value for our shareholders.”

The Dow award-winning technologies are listed below:

DOWSIL™ EC-6601 Electrically Conductive Adhesive for transportation electronics and 5G won a silver award in the Materials Science and Engineering category and Adhesives subcategory.

DOWSIL™ EI-2888 Primerless Silicone Encapsulant for LED lighting earned a silver award in the Materials Science and Engineering category and Coating Materials subcategory.

DIAMONDLOCK™ Polyurethane Adhesive for improved flooring installation won a bronze award in the Materials Science and Engineering category and Adhesives subcategory.

DOWSIL™ VE-2003 UV Optical Bonding for automotive displays earned a bronze award in the Materials Science and Engineering category and Coating Materials subcategory.

