“Supply Chain Leadership in Sustainability”

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Topics

- Dow’s Sustainability Journey
- 2025 Sustainability Goals
- Supply Chain Sustainability Strategy & Leadership
By 2030, the world’s population will reach 8.3 billion, requiring:

- 50% more food
- 45% more energy
- 30% more water
- 40% reduction in GHG emissions
### Portfolio Aimed at Addressing Society’s Needs

<table>
<thead>
<tr>
<th>AGRICULTURAL SCIENCES</th>
<th>CONSUMER SOLUTIONS</th>
<th>INFRASTRUCTURE SOLUTIONS</th>
<th>PERFORMANCE MATERIALS &amp; CHEMICALS</th>
<th>PERFORMANCE PLASTICS</th>
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</thead>
<tbody>
<tr>
<td>• Seeds&lt;br&gt;• Crop Protection</td>
<td>• Consumer Care&lt;br&gt;• Dow Automotive Systems&lt;br&gt;• Dow Electronic Materials</td>
<td>• Dow Building &amp; Construction&lt;br&gt;• Dow Coating Materials&lt;br&gt;• Energy &amp; Water Solutions&lt;br&gt;• Performance Monomers</td>
<td>• Chlor-Alkali and Vinyl&lt;br&gt;• Industrial Solutions&lt;br&gt;• Polyurethanes</td>
<td>• Dow Elastomers&lt;br&gt;• Dow Electrical and Telecommunications&lt;br&gt;• Dow Packaging and Specialty Plastics&lt;br&gt;• Energy&lt;br&gt;• Hydrocarbons</td>
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<tr>
<td><strong>Sales:</strong> $6,381MM&lt;br&gt;<strong>Op. EBITDA:</strong> $859MM</td>
<td><strong>Sales:</strong> $4,379MM&lt;br&gt;<strong>Op. EBITDA:</strong> $1,107MM</td>
<td><strong>Sales:</strong> $7,394MM&lt;br&gt;<strong>Op. EBITDA:</strong> $1,122MM</td>
<td><strong>Sales:</strong> $11,973MM&lt;br&gt;<strong>Op. EBITDA:</strong> $2,070MM</td>
<td><strong>Sales:</strong> $18,357MM&lt;br&gt;<strong>Op. EBITDA:</strong> $4,802MM</td>
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- Attractive market fundamentals
- Aggressive growth funding to expand leading innovation pipeline
- Leading positions in attractive markets
- Leading technology platform and strong innovation pipeline
- Growing positions in key market segments
- Leading technology platforms
- PDH and productivity drive for acrylic chain
- Strong integrated franchise(s)
- DCP transaction
- PDH and Sadara
- Productivity drive
- Leading integrated franchise with strong market fundamentals
- Sadara and USGC
- Ethylene cycle

1. Operating EBITDA is defined as EBITDA excluding the impact of “Certain Items.”
Dow’s Pioneering Sustainability Journey

**1999-2005**
2005 EH&S Goals
Journey to EH&S Excellence

**Dow’s Footprint** and EH&S Culture

**2006-2015**
2015 Sustainability Goals
Product Solutions to World Challenges

**Dow’s Handprint**

**2016-2025**
2025 Sustainability Goals
Dow’s Thought Leadership and Actions

**Dow’s Blueprint**

**2015**
The safest year on record for Dow!
Benchmarked top quartile in safety performance

- **69%** Improvement in Injury & Illness Rate
- **88%** Improvement in Loss of Primary Containment
- **83%** Improvement in Process Safety Incidents
- **10-year journey** “Contributing to Community Success”
- **4** “Breakthroughs to World Challenges”
- **15th time** named to Dow Jones Sustainability Index

**>6,000** Fewer spills
**>275** Fewer process safety incidents

**>4.3 Billion** Fewer tonne-miles of transporting hazardous materials
**>175** Fewer hazardous materials transportation spills

**>1,100** Fewer injuries due to enhanced focus on safety

**The safest year on record for Dow!**
**Benchmarked top quartile in safety performance**
Redefining the Role of Business in Society.

Sustainability is our commitment. This is how our employees make it happen.

#DOW2025
Dow’s 2025 Sustainability Goals
Three Broad and Revolutionary Pillars

Unlocking the Potential of People and Science
The passion, creativity and experience of our people drives innovation at the intersection of the sciences – generating value for business, humanity and the environment.

Valuing Nature
Dow will consider nature in strategic business decisions not only because it benefits the environment and society, but because valuing nature’s resources also makes good business sense.

Courageous Collaboration
The health of people, planet, and business are intrinsically linked. Collaboration in new and deeper ways across the public and private sectors is essential for the transition to a sustainable planet and society.

GOAL 1
Leading the Blueprint
GOAL 3
Advancing a Circular Economy
GOAL 5
Increasing Confidence in Chemical Technology

GOAL 2
Delivering Breakthrough Innovation

GOAL 4
Valuing Nature

GOAL 6
Engaging Employees for Impact

GOAL 7
World-Leading Operations Performance
Among Our Key Performance Indicators*

- **0**
  - Zero severe unplanned safety events and process safety events

- **10**
  - Impactful “blueprint” collaborations

- **20%**
  - Reduction in water intake intensity and waste intensity

- **400 MW**
  - Of its power demand from renewable sources by 2025

- **6X**
  - Net positive impact on sustainable development measures

- **100%**
  - Value chain and stakeholder support in safe use of chemical technology

- **$1B**
  - In nature-enhancing projects

- **1B**
  - People positively impacted by Dow employees

* KPIs are not all-inclusive but are an overview.

Over the next decade, Dow will continue to reduce its own operational “footprint”, deliver ever-increasing value to customers and society through its “handprint” of products and solutions, and develop and deliver a “blueprint” for a sustainable planet and society.
“There is no doubt that, for multinationals especially, it is in the supply chain that the greatest sustainability risks lay – and where there is a huge task to raise standards and minimize environmental footprints. It is therefore perhaps not surprising that this is the area of greatest emphasis for sustainability teams.”

- 2015 Ethical Corp, State of Sustainability Report
Supply Chain Alignment to Dow Sustainability Goals

Dow 2025 Sustainability Goals

Courageous Collaboration
- Partnering through the Value Chain
  - End to End Transparency
  - Sustainable Suppliers
  - Advocacy Blueprint
  - Culture of Systems Thinking

World Leading Operations
- World Leading Transportation Stewardship & Performance
  - Industry Leading Initiatives
  - Incident-Free Performance
  - Risk Management Across the Value Chain
  - Safety and Security in a Constantly Changing World

Unlocking Potential of People & Science
- Breakthrough Innovations in Supply Chain Design
  - Design & Optimization for Sustainability
  - Sustainable Packaging
  - Energy & Resource Efficiency
  - Reliability and Resilience

Risk Management, Governance, Compliance
- Enabling Sustainable Growth
Example: Dow and CPG Customer Sustainability Collaboration

Joint SC Optimization Study to Reduce Environmental Footprint

- Identified a Modal Shift Opportunity for key raw material
- Implementation of NAA Rail Cars (from fleet of 5 to 21 by 1Q2016)

CO$_2$-eq Savings: 1,444.1 MT of CO2-eq emissions saved
25,069,562 MJ-eq Less Energy consumed

Equivalent to: 278 US Cars Removed from Road
184,229 Gallons of Diesel Saved