

# 2022 ESG Overview

The Intersection of Science & Sustainability,  
Culture & Accountability



# **Executive Summary**

# Well-Positioned in a Dynamic Macro Environment

## Distinct Competitive Advantages



### Global Scale and Leading Positions

- Diversified sales mix across regions and businesses
- Leading positions in key value chains
- World-scale footprint to navigate regional dynamics



### Diverse End-Market Participation

- Market verticals growing above GDP and expanding to \$800B by 2025
- Accelerating demand for sustainable and circular solutions
- Flexible operating model to quickly respond to evolving demand trends



### Advantaged Assets

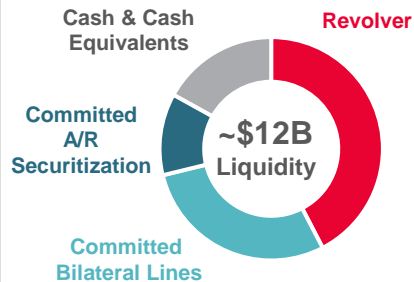
- 65% of production capacity in the cost-advantaged Americas
- 2-3x more LPG flexibility in Europe vs. peers
- Dynamic feed flex capabilities to respond to market dynamics



### Operational and Financial Discipline

- Low-cost operating model with top-quartile cost structure vs. peers
- Disciplined and balanced approach to capital allocation
- Culture of benchmarking and best-owner mindset

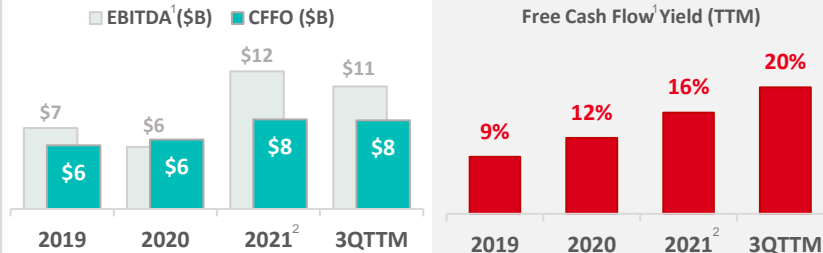
## Solid Financial Position



### Healthy Debt and Credit Profile

- No substantive debt maturities due until 2027
- Nearly all debt at a fixed rate
- Investment grade credit ratings (Baa1/BBB+/BBB)

## Robust Cash Flow Generation



**Strong cash flow generation to support long-term value creation**

# Advancing our “Decarbonize & Grow” Strategy

## Improving Underlying Earnings by ~\$300-400MM<sup>1</sup> in 2022

### Near-Term Growth Levers

- **P&SP:** 4Q22 FCDh start-up on-track
- **II&I:** U.S. Alkoxylation project started-up in 3Q22; EU project to start-up in 4Q22
- **PM&C:** Asset debottlenecks

### Efficiency Levers

- **Restructuring:** \$300MM achieved YE21
- **Digitalization:** \$300MM by YE25

## Growing Annual Underlying Earnings by >\$3B by 2030, while Reducing CO<sub>2</sub> Emissions by ~30%<sup>2</sup>

*EBITDA  
Growth<sup>1</sup>*

Efficiency Levers  
~\$0.6B

Near-Term Growth  
Investments ~\$2B

Alberta Project  
~\$1B

*Path2Zero  
(emissions  
reduction)*

Renewables, Asset  
Optimization and Efficiency  
>2MM mta/yr

EU/Americas  
Emission Reductions  
>1.5MM mta/yr

Alberta Project  
>1MM mta/yr

## Investments Capitalize on Fast-Growing Demand for Sustainable and Circular Innovations



ENGAGE™  
PV Elastomer  
Technology for  
Solar

DOWSIL™  
Flexible  
Silicone  
Adhesive



ECOFAST™ Pure  
Sustainable  
Textile Treatment

SILASTIC™  
Self-Sealing  
Silicone



## Maintaining our Disciplined Capital Allocation Priorities over the Economic Cycle



**Safely and reliably** run our operations



**Organic investments** with CapEx ≤ D&A and ROIC >13%



**Strong investment-grade credit profile** of  
2.0x – 2.5x rating agency adj. debt-to-EBITDA



**Dividend policy** targeting ~45% of operating net income



**Share repurchases** with dividend to meet ~65% of operating net  
income; covering dilution

**Maintaining a disciplined and balanced approach to capital allocation**

1) EBITDA/year run-rate estimated based on Dow and IHS historical margins and operating rate of 90%  
2) Versus 2005 baseline



# Advancing our ESG Actions: **What's new in 2022?**

## E

### Environmental Protection

- Expanded access to renewable energy to >900 megawatts; among **top 20 global corps. using renewable, clean energy**
- By 2030, >50% of our PE capacity will be **circular, renewable or zero-carbon emission capacity**
- Announced plans with Mura Technology to add as much as **600KTA of advanced recycling capacity by 2030**
- Advancing plans to build the **world's first net-zero scope 1 & 2 carbon emissions, integrated ethylene cracker and derivatives site** in Fort Saskatchewan

## S

### Inclusion, Diversity, Equity & Community

- **Implemented new, expanded Global Parental Leave Policy** to provide 16 weeks of paid time-off (PTO) to ALL parents
- **Global diverse supplier spend** on pace to surpass 2022 target
- **Racial Equity Audit** commitment to assess how Dow's U.S. operation, products, policies and services support racial equity
- **Advanced to #15** on the 2022 DiversityInc Top 50 Companies for Diversity list

## G

### Corporate Governance

- Further **enhanced structural oversight and responsibility of the Board** for ESG and enterprise risk management
- Reinforced ESG accountability by **adding a GHG Emissions Reduction metric** to our long-term compensation metrics
- **Continued to outpace S&P 500 for board diversity**; 33% of our Directors are women and 33% are U.S. ethnic minorities with Jerri DeVard joining in 2022
- **Aligned comprehensive ESG disclosures** to GRI, GHG Protocol, TCFD, SASB and WEF

**Shareholder engagement continues to be a valuable source of insight as we accelerate our strategy**



# Industry Leader in Environmental Performance



## PROTECT THE CLIMATE

By 2030, Dow will reduce its net annual carbon emissions by 5 million metric tons vs. its 2020 baseline\* (15% reduction). By 2050, Dow intends to be carbon neutral (Scope 1 + 2 + 3 plus product benefits).

Advancing our path to **Decarbonize and Grow**:

- **Optimizing our facilities and processes** for energy and carbon efficiency
- Increasing the use of **clean energy**
- Delivering **low-carbon products and technologies** for our customers
- Investing in **next-generation manufacturing technology**
- Collaborating to **tackle upstream emissions**

On track to start-up proprietary FCDh pilot plant in Louisiana in 4Q 2022, with **20% CO<sub>2</sub> reduction vs. traditional processes**



## TRANSFORM THE WASTE

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

We are **collaborating to invest in key technologies and infrastructure** to significantly increase global recycling

- Launched new business platform, Circular & Renewable Solutions
- Partnering to build industrial ecosystems to enable a circular economy
- **Scaling mechanical & advanced recycling**

Announced plans with Mura Technology to add as much as **600KTA of advanced recycling capacity by 2030**



## CLOSE THE LOOP

By 2035, Dow will "close the loop" by enabling 100% of Dow products sold into packaging applications to be reusable or recyclable.

We are **taking a leading role in driving a more circular economy** by helping our customers and brand owners redesign and create packaging solutions that are both high-performing and recyclable

- Demonstrated proven recyclable solutions in several relevant and challenging applications
- Investing in Pack Studio capabilities to accelerate all stages of packaging development

**Demonstrated and commercialized** recyclable toothpaste tubes by removing aluminum foil while maintaining functional performance



\* The value of the baseline equals 34.7 million metric tons of carbon dioxide emissions (CO<sub>2</sub>e).

# Best-in-Class Approach to Inclusion, Diversity & Equity



**Improved representation** of global Women and U.S. Ethnic Minority talent



Industry leading **global paid time-off** for **parental and family care** leave as well as for **Employee Resource Group participation** and **volunteerism**



Continued **partnership with OneTen** to hire, advance and upskill Black talent



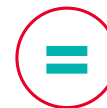
**Redefined best-in-class** Employee Resource Group participation

**54%**

Team Dow participation



**Retained 76%** of diverse suppliers



**Committed to Racial Equity Audit** to assess how Dow's key U.S. operations, policies and services support **racial equity**

## 2022 Global Recognition



Named to **GPTW®** and **Fortune 100 Best Companies to Work For List** for the second time



**17th consecutive year** receiving a perfect score on **HRC's Corporate Equality Index**

**2022 "Best Place to Work for LGBTQ Equality"**



**6th consecutive year** for **Best Places to Work for Disability Inclusion**

**100% SCORE**



**Advanced to #15** on the 2022 DiversityInc **Top 50 Companies for Diversity** list

**Included on 6 specialty lists:** #1 on Top Companies for Executive Diversity Councils; #6 on Top Companies for People with Disabilities; and one of the Top Companies for ESG



Dow named for the **3<sup>rd</sup>** consecutive year to the **"People 100 Companies That Care"** List

**RANKED #92**

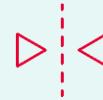


# Corporate Governance: Accountability in Action

Creates long-term value for our stockholders, strengthens our accountability, and builds trust in our Company



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



**Aligning ESG approach and goals** to the Company's largest areas of enterprise risk and opportunity, with clear Board oversight and responsibility



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



**Designing compensation programs** to support our business and ESG priorities



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



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

## Recent Actions

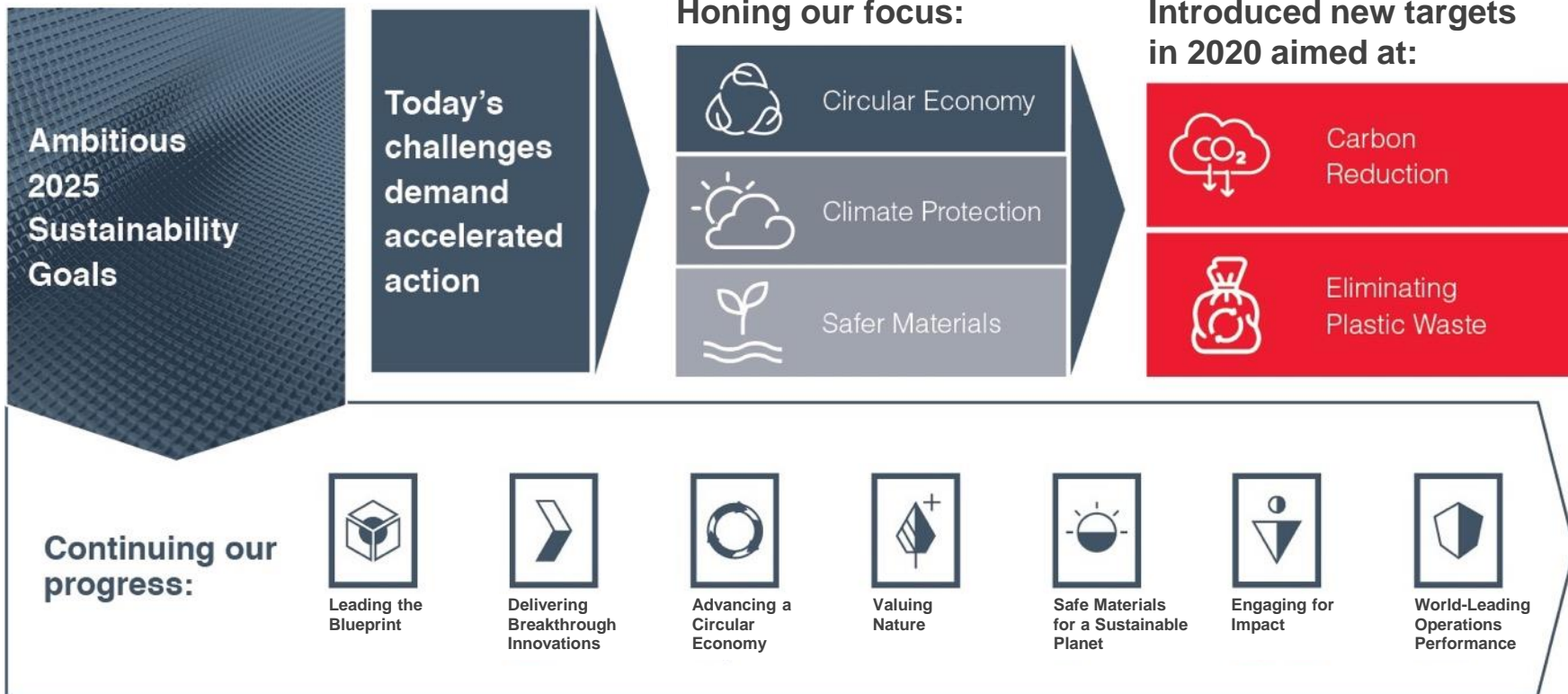
- Further **enhanced structural oversight and responsibility of the Board** for ESG and enterprise risk management
- Reinforced ESG accountability by **adding a quantifiable GHG Emissions Reduction metric** to our long-term compensation metrics
- **Continued to outpace S&P 500 for board diversity**, as 33% of our Board of Directors are women and 33% are U.S. ethnic minorities; new Director Jerri DeVard joined in 2022
- **Aligned comprehensive ESG disclosures** to GRI, GHG Protocol, TCFD, SASB and WEF

# Driving ESG Performance with Strong Leadership and Governance

<b>BOARD OVERSIGHT</b>	<b>Environment, Health, Safety &amp; Technology Committee</b>			<b>Compensation &amp; Leadership Development Committee</b>	<b>Corporate Governance Committee</b>	<b>Audit Committee</b>
<p>The Board <b>actively oversees and engages with management</b> in stewardship of the Company's strategy, ESG leadership, risk management and overall performance</p>	<p>Environmental performance, health, safety, community, corporate citizenship, social responsibility, public policy, sustainability, climate, science and technology</p>			<p>ID&amp;E, work environment and culture, remuneration and incentives to drive accountability and progress on the company's financial and ESG performance</p>	<p>Corporate governance framework, board composition and performance, governance best practices, compliance with legal and regulatory requirements and ESG reporting frameworks</p>	<p>External reporting, risk management, internal controls, compliance with legal and regulatory requirements and ESG reporting frameworks</p>
<b>MANAGEMENT &amp; ACCOUNTABILITY</b>	<b>Environmental Performance</b>	<b>Social: Community</b>	<b>Social: Inclusion, Diversity &amp; Equity</b>	<b>Corporate Governance</b>		
<p>Company <b>executive management actively lead</b> cross-functional efforts to <b>set strategy</b>, oversee the activities related to <b>assessing and managing relevant risks/opportunities</b>, and <b>engage key stakeholders</b> across our ESG priority areas</p>	<ul style="list-style-type: none"> <li>▪ ESG Steering Team</li> <li>▪ Climate Steering Team</li> <li>▪ Circularity PMO</li> <li>▪ Science &amp; Technology Advisory Council (STAC)</li> <li>▪ Sustainability External Advisory Council (SEAC)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Global Citizenship Office</li> <li>▪ Community Action Panels</li> <li>▪ Dow Company Foundation Board</li> </ul>	<ul style="list-style-type: none"> <li>▪ Office of Inclusion</li> <li>▪ President's Inclusion Council</li> <li>▪ Senior Leaders' Inclusion Council</li> <li>▪ Joint Inclusion Council</li> <li>▪ Executive Compensation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Office of the Corporate Secretary</li> <li>▪ Office of Ethics and Compliance</li> </ul>	<ul style="list-style-type: none"> <li>▪ ESG Reporting and annual ESG INtersections report, including limited assurance by our external auditing firm</li> </ul>	

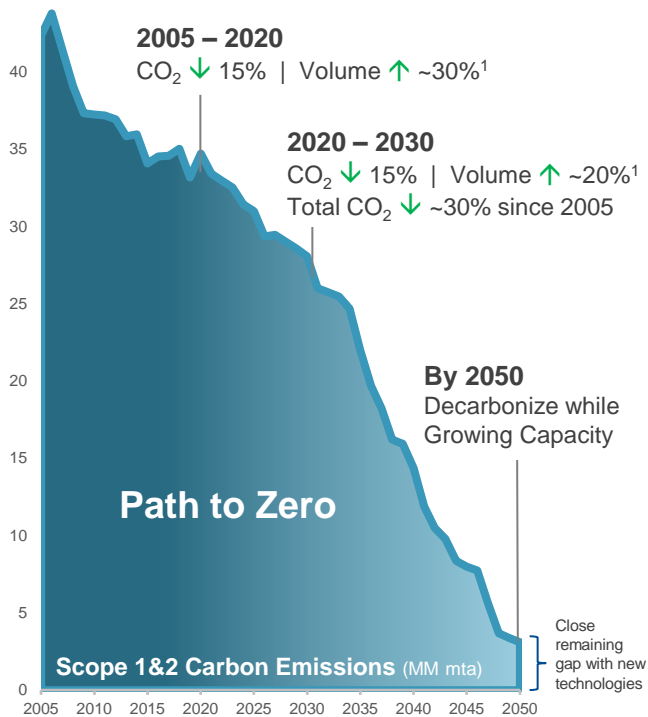
# **Environmental Performance**

# Accelerating our Sustainability Commitments



# Our Commitment to Protect the Climate in Action

## A Clear Path to Decarbonize and Grow



## Roadmap to Reduce >90% of Scope 1 & 2 Carbon Emissions

Dow's Current Emissions  
~35MM MTA

Target of  
~5MM MTA (15%)  
by 2030

### Details & Target

- Scope 1 & 2 emissions mostly from power & steam generation and olefins production
- Target reducing these emissions by >90% by 2050 while enabling business growth

### Through 2030

- Site efficiency improvements and clean energy
- On-purpose circular-hydrogen; carbon capture and sequestration
- Implement Alberta project and Terneuzen site carbon emissions reduction plans with government support

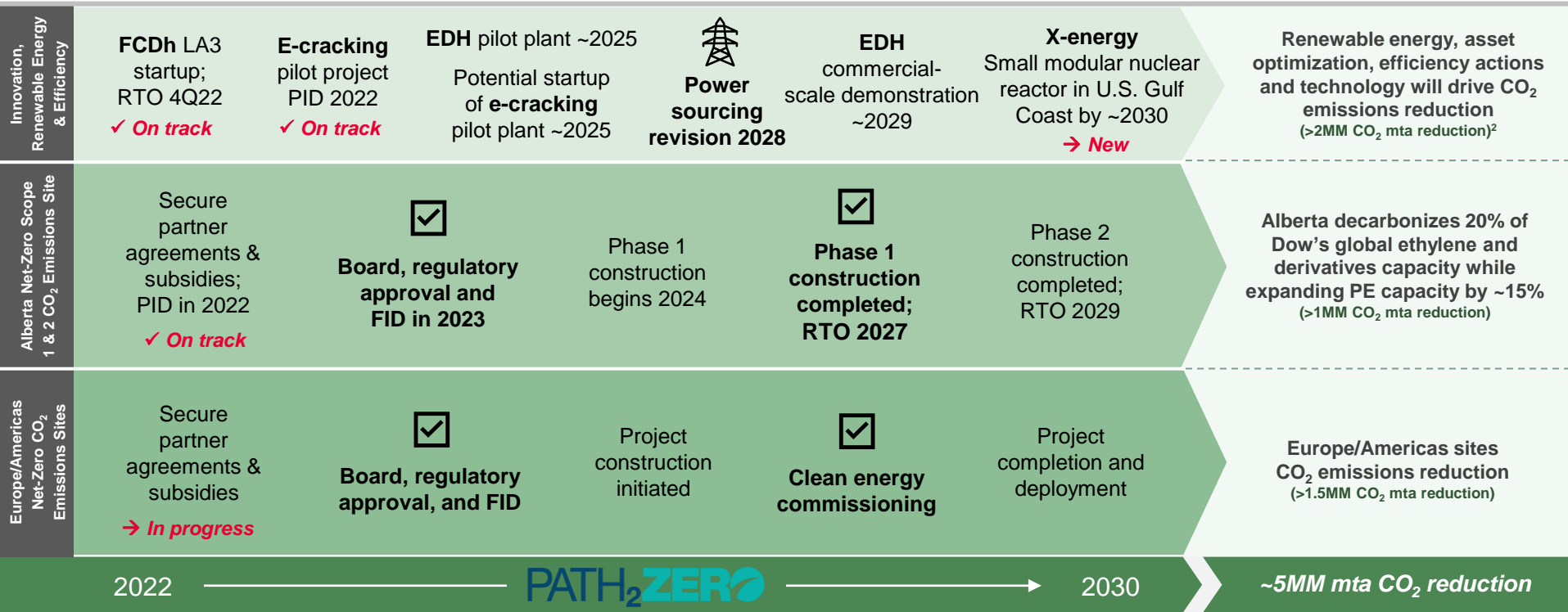
### 2030–2050

- Additional carbon capture and storage capabilities
- Small modular nuclear power and steam
- Retrofit turbines for H<sub>2</sub> fueling or electrical drivers
- New cracking technologies
- Leverage most competitive clean H<sub>2</sub> and zero-carbon emissions e-cracking technologies
- Connect to H<sub>2</sub> infrastructure

**Plan >60% sites to be H<sub>2</sub>-ready by ~2040<sup>2</sup>**

# Advancing our Decarbonize and Grow Roadmap

Expect to grow capacity and underlying earnings by >\$3B/year while reducing CO<sub>2</sub> emissions by ~30%<sup>1</sup>

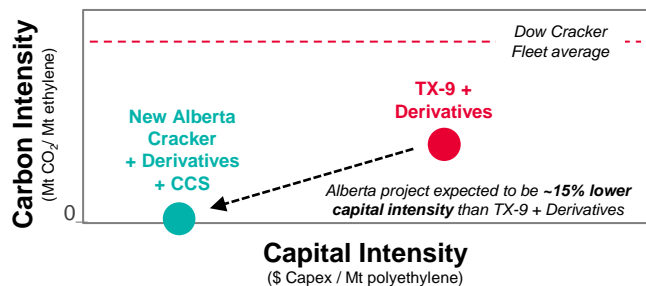


1. Using 2005 as a baseline.  
 2. The target presented expected to be achieved by projects currently in progress.

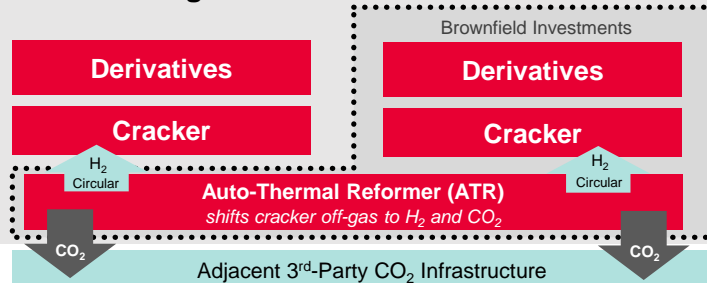
PID: Preliminary Investment Decision  
 FID: Final Investment Decision  
 RTO: Return to Operations

# The World's First Net-Zero Scope 1 & 2 CO<sub>2</sub> Emissions Site in Alberta, Canada

## Ft. Saskatchewan, Alberta Project Enables Net-Zero Scope 1 & 2 CO<sub>2</sub> Emissions with Lower Capital Intensity



## Existing Alberta Site and Infrastructure



## Decarbonize & Grow to Produce ~3MM MTA of Certifiable Low- to Zero-Carbon Emissions C2 Derivatives

- Includes brownfield investments to expand ethylene and derivatives capacity by ~2MM MTA
- Enhances mix with low-carbon emissions polyethylene products with differentiated pricing
- Leverages existing feedstock advantage, proven low-risk technology (TX-9), and local and national support
- Upgrades existing infrastructure for circular-H<sub>2</sub>, clean energy and carbon capture and storage (CCS) with multiple potential partners

*This one project decarbonizes ~20% of Dow's global ethylene capacity while growing polyethylene supply by ~15% and enabling ~\$0.7-1.2B of earnings growth by 2030*

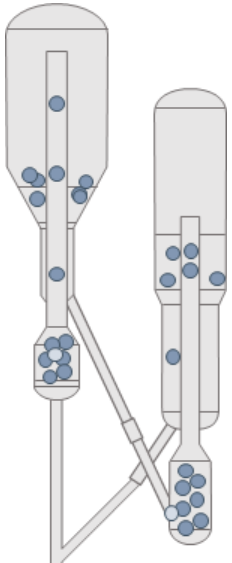
**Investment offers opportunity to bring entire site to net-zero carbon emissions while supporting attractive growth**




# Winning Technologies to Decarbonize the Industry at Lower Capital Intensity

## UNIFINITY™

DEHYDROGENATION PROCESS TECHNOLOGY

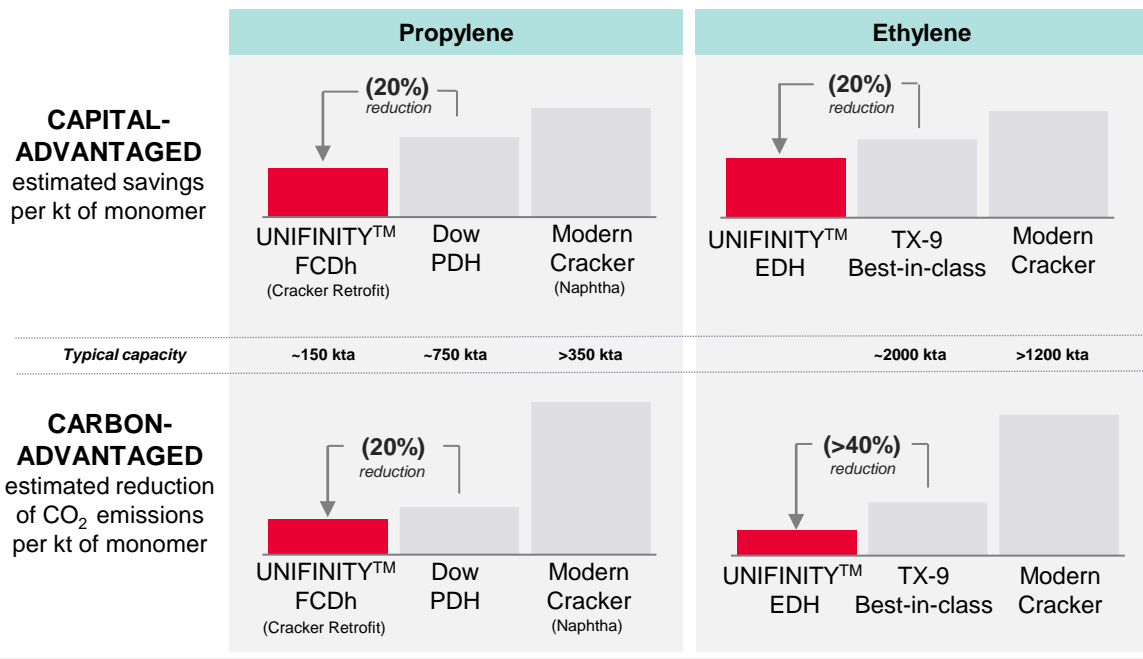




## FLUINITY™

CATALYST

## High-Efficiency Platform Dramatically Reduces Capital and Energy Requirements, Expands Licensing Opportunities



**FCDh Ready for Commercialization; Additional Licensing Negotiations Underway**



# Raising the Bar to Commercialize 3MM mta of Circular & Renewable Solutions by 2030

## Building an Industrial Ecosystem

- Founding member of the **Alliance to End Plastic Waste**
- Established the **Closed Loop Circular Plastics Fund**
- Scaling advanced recycling with **Mura Technology**
- Developed disruptive PCR PE film solutions with **Circulate Capital**
- **Fuenix Ecogy Group, Gunvor and New Hope Energy** partnerships to source pyrolysis oil
- Invested in **Mr. Green Africa** to scale solutions to reuse waste
- **Valoregen** to build the largest hybrid recycling site in France
- Nine of Dow's largest sites received **ISCC Plus recognition** related to tracking sustainable feedstock use



CIRCULATE CAPITAL



MR. GREEN AFRICA



## Delivering Innovative Solutions

- **REVOLOOP™** Post-Consumer Recycled Resins for flexible or rigid packaging applications
- **AFFINITY™ REN** Bio-Based High-Performance Polyolefin Elastomers
- **ENGAGE™ REN** for low-carbon emission footwear
- **RENUVA™** Program converts used mattresses into raw materials
- Automotive waste turns into new car products with **SPECFLEX™ C & VORANOL™ C** foam systems
- **AMPLIFY™ SI** Silicone Enhanced Polymer System increases use of recycled plastic from 70% to 90%
- **RHOBARR™** Dispersions improve recyclability for coated paper products
- **ECOSURF™ EH** Readily Biodegradable Surfactants



## Meeting Increasing Brand-Owner Demand

Dow technology to support **Crocs®** in reducing the CO<sub>2</sub> impact in manufacturing process



**Kellogg's® Kashi Bear Naked** brand to roll out fully recyclable packaging, enabled by Dow RecycleReady Technology

Dow and **Sport Singapore** upcycle shoes into sports infrastructure using **ECOGROUND™** Binders



**Liby®** and Dow introduce China's first fully recyclable laundry packaging

Commercialized **recyclable toothpaste tubes** used by major consumer brands



**SiLASTIC™** Self-Sealing Silicone enables **Bridgestone® B-SEALS**, a recyclable, silicone-based tire sealant technology

Expanded sustainability targets & accelerated delivery with new circular & renewable business platform



# Our Actions to Transform the Waste

## Investing to Improve Plastics Recycling Infrastructure



**Hefty® EnergyBag® Program:** Teaming up with Reynolds Consumer Products to collect hard-to-recycle plastics at curbside and convert them to resources such as fuel.

**Diverted over 1,800 tons of hard-to-recycle plastics from landfills**



### Closed Loop Circular Plastics Fund

Dow partnered to establish this Fund, which invests in scalable recycling technologies, equipment upgrades and infrastructure solutions. With an initial fund size of \$25 million, Closed Loop Partners invites businesses across the plastics value chain to join in advancing the recovery and recycling of plastics in North America.

## Partnering to Bring Hard-to-Recycle Plastics into the Circular Economy



**Founding member** of the Alliance to End Plastic Waste, an initiative to accelerate efforts to drive innovation, provide much-needed resources and take decisive action to put an end to plastic waste in the environment.



CIRCULATE CAPITAL

**Circulate Capital:** Dow was recognized with a SEAL Award for our expansion work with Circulate Capital and Lucro, to take in more waste and develop disruptive PCR polyethylene film solutions in India.

### #PullingOurWeight:

In 2021, Dow hosted 195 community cleanups in 32 countries. Our 7,485 volunteers helped remove 387,513 pounds of waste from the environment, of which 11.27% was recycled.



## Helping Communities Address Waste Management Gaps

### Largest Commitment to Date to Scale Advanced Recycling of Plastics

Dow and Mura announced plans to construct multiple world-scale advanced recycling facilities in the U.S. and Europe that will add as much as 600 KTA of plastic waste recycling capacity by 2030, including the first 120 KTA plant to be built in Böhlen, Germany.



### Single Largest Hybrid Recycling Site in France

An investment to build the largest single hybrid recycling site in France, managed by Valoregen, that will secure a source of post-consumer resins for Dow.

### Investing in Africa's Future

Dow is working with Mr. Green Africa, to address critical gaps in waste management systems, enabling more plastics waste to be sorted, collected and reused in new applications.



# Our Actions to Close the Loop

## Helping Customers Design for Recyclability



Using our **Pack Studios in-house conversion capabilities**, commercialized a global line of mechanically recycled plastic resins, branded REVLOOP™ – a family of products that can be used in flexible or rigid plastic packaging applications.

**Phormanto™ Polyethylene Rich Thermoforming Technology:** A Dow solution for vacuum thermoformed packages that increases the shelf life of poultry packaging for up to two weeks – and is made of a single-material plastic so it can fit neatly into the well-established recycle streams that already exist for polyethylene.



**Design for Recyclability**  
In 2001, Dow enabled recyclable structures for 16 packaging applications that were previously considered unrecyclable. One example, **fully recyclable toothpaste tubes**.

## Growing our Recyclable and Renewable Business

Announced several advancements to prevent plastic waste, reduce greenhouse gas emissions, and provide customers with recycled plastic products. In 2021, our plastics made with recycled content, bio-based, and/or renewable sources reached over \$100 million dollars in sales and **utilized 4,000 metric tons of renewable/circular feedstock**.



**Increasing the Recyclability of Footwear:** ECOLIBRIUM™ is a technology that enables more sustainable polymers for applications such as footwear, beverage cartons, food and personal care packaging, caps, labels and hotmelt adhesives. Dow collaborated with Crocs, supplying bio-based elastomer materials to reduce the CO<sub>2</sub> impact of Croslite™ resin for use in the iconic shoe brand's manufacturing process.

## Scaling Advanced Recycling



On track to commercialize **Dow's first circular polymer from advanced recycling** – enabling mixed-use plastic waste that otherwise would be incinerated or landfilled to be repolymerized into virgin-like plastic.

**Expanded Fuenix Ecogy Partnership** with the construction of a second plant in The Netherlands. The new plant will process 20,000 metric tons of waste plastic into pyrolysis oil feedstock annually, to be used to produce new circular plastic at our Terneuzen site.



**Received the International Sustainability & Carbon Certification PLUS recognition** at five of our largest global manufacturing facilities for our compliance with rigorous tracking of sustainable feedstocks use.



# Enhancing Water Stewardship

Committed to reducing freshwater intensity by 20% at our key water-stressed sites by 2025\*

## Our Approach to Water Stewardship

- Implementing projects to **increase water circularity**
- Collaborating with customers to drive innovation and implementing **water-saving technologies**
- Partnering with others to focus on addressing **community freshwater needs**
- Investing in projects that **reduce our financial risk** tied to water and improves overall watershed ecosystem



# Progressing Against our 2025 Sustainability Goals



## Leading the Blueprint

Dow leads in developing societal blueprints that integrate public policy solutions, science and technology and value chain innovation to facilitate the transition to a sustainable planet and society.

- Launched Collaborative Action Toolkit with the Keystone Policy Center
- Completed two new blueprints on Product Safety and Valuing Nature



## Delivering Breakthrough Innovations

Dow delivers breakthrough sustainable chemistry innovations that advance the well-being of humanity.

- Aligned >85% of innovation portfolio to sustainability outcomes
- Earned eight 2022 Edison Awards for breakthrough technologies



## Advancing a Circular Economy

Dow advances a circular economy by delivering solutions to close the resource loops in key markets.

- Announced partnership with Mura Technology to scale game-changing new advanced recycling solution for plastics
- Announced collaborations with Valoregen build largest hybrid recycling site in France



## Valuing Nature

Dow applies a business decision process that values nature, which will deliver business value and natural capital value through projects that are good for business and better for ecosystems.

- Identified \$756 MM in net present value to date
- Valuing Nature workshops in each business envelope identified operations and product contributions to address clean air, clean water, healthy soil and healthy ecosystems



## Safe Materials for a Sustainable Planet

We envision a future where every material we bring to market is sustainable for our people and our planet..

- Approved 4<sup>th</sup> Sustainable Alternative: ROPAQUE™ NT-2900
- Approved 5<sup>th</sup> Sustainable Alternative: SYNTEGRA™ YS 3000



## Engaging for Impact

We believe, whether through the dedication of time, talent or expertise, that volunteering promotes a positive employee experience, further supports our global citizenship priorities and investments, and ultimately, advances Dow's ambition.

- 50% of Dow employees volunteer
- Purpose-driven programs support a culture of volunteer engagement (#PullingOurWeight, 125<sup>th</sup> anniversary Serve-a-thon, ALL-IN ERG Fund)
- Global Volunteer and ERG Participation Policy provides paid time off to give back to communities



## World-leading Operations Performance

Dow maintains world-leading operations performance in natural resource efficiency, environment, health and safety.

- Achieved strong transportation stewardship performance driven by low transportation incidents, including zero serious events, and risk reduction
- Reduced Total Worker Health® risk and avoided unplanned events in excess of 2021 targets, and are trending ahead of 2025 targets
- We are on target to achieve our environmental stewardship goals in 2022 through increases in renewable energy and reduced emissions.

# Dow is Recognized as a Leader in Sustainability



*Earned top spot in chemicals sector*



*Listed to the North America Index in 2021*



*4 awards in 2022 for sustainable solutions and leadership*



*Received silver sustainability rating in 2021*



*Named to 2022 list*



*8 awards in 2022 for breakthrough technologies*



*6 awards in 2022 from R&D World Magazine*



# **Inclusion, Diversity & Equity and Community**

# Accountability at Every Level Drives Progress and Results



## Top-Down Commitment

- ▼ Board and Leadership Team Oversight
- ▼ Chief Inclusion Officer
- ▼ Inclusion Councils: President's Inclusion Council, Senior Leaders' Inclusion Council, Joint Inclusion Council
- ▼ The ESG Network
- ▼ Dow Company Foundation Board

## Bottom-Up Alignment and Action

- ▲ I&D metrics included in the Performance Award program since 2020 and applies to all ~3000 People Leaders
- ▲ Annual employee survey includes I&D questions to track and drive progress
- ▲ Volunteer-based Employee Resource Groups
- ▲ Team Dow engaged and empowered to advance inclusion around the Dow world

# ERGs are Advancing our Culture and our Business

Our Employee Resource Groups (ERGs) continue to be a valuable resource for employees and the company by cultivating positive employee experiences and providing a platform for business growth



## 10 ERGs

Best-in-class global workforce participation at 54%

## 600+ Chapters

Dow leaders are leading by example at nearly 100% participation

## ~20,000 Employees

#3 DiversityInc® Top Companies for Employee Resource Groups Specialty List

ERG participants have higher overall satisfaction than non-ERG participants



# Strengthening our Talent Pool through Diversity

## Attracting Diverse Talent

New **Global Inclusive Hiring Standards** to deliver diverse outcomes

Hosted signature recruiting events to diversify our talent pipeline:

- **Diamond Symposium** for U.S. ethnic minority undergraduate students – in 2021, increased offer acceptance rate by 36% YoY
- **BEST Symposium** for Black, Hispanic and Native American U.S. doctoral and postdoctoral scientists – resulting in 13 accepted positions in 2021

**Military Degree Equivalency Program**<sup>1</sup> recognizes relevant military experience as equivalent to a bachelor's degree

Dow's **ReAction Program**, launched in 2021, provides support to aid a return to work following personal, family or educational leaves

## Developing Diverse Talent

Employ a **range of development approaches**, including on-the-job, classroom and online learning, development through ERG participation, formal mentorship, and sponsorship programs

Currently in our 2<sup>nd</sup> **Advocacy-in-Action Sponsorship Program** cohort, with the previous cohorts resulting in:

- ~50% of participants received promotions and/or role changes<sup>2</sup>
- ~90% protégé retention
- ~85% of participants believe AiA meaningfully addressed barriers to advancement and inclusion of Black employees

**Connector programs** such as *Peer Allies*, *PRISE Connections*, *Wazobia Peer-to-Peer Mentoring Program*, and the *WIN+5* help employees expand their networks and inspire professional growth

## Supporting a Diverse Workforce

Launched **Design Your Day**, our new approach to workplace flexibility, where employees and leaders collaborate on an individual workplace plan to maximize productivity, balance personal needs, and meet job expectations

Dow Latin America implemented **Shift Inclusion Champions** to generate more participation of shift employees in ID&E programs – resulting in an 11.3% points YoY increase on regional ERG participation

Modernized **Dow's Total Rewards** in 2021:

- Expanded new **Global Parental Leave Policy** to provide 16 weeks of paid time-off (PTO) to ALL parents
- **Family Caregiver Leave** provides employees up to 3 weeks PTO
- **Global Volunteer and ERG Participation Policy** allows employees 12 hours of PTO to volunteer and engage in ERG activities



1. MDE program recognizes relevant military experience of E6 ranking or greater (OR6 for Canada) as equivalent to a bachelor's degree for U.S. and Canadian job postings

2. As of March 2022

# Advancing Racial Equity and Justice

Our bold framework is designed to address systemic racism and inequality within our organization and in our communities, backed by a \$13 million five-year pledge to help accelerate change.

## A



We are committed to be on the forefront of corporate **ADVOCACY**

- Supported the **Congressional Black Caucus Foundation's** inaugural **National Racial Equity Initiative** to produce equitable access, opportunities, treatment and outcomes for Blacks
- **Paid time-off for voting and other non-partisan civic duties** for U.S. employees
- Participated in the **Board Diversity Action Alliance**
- Karen S. Carter, president of Packaging & Specialty Plastics, **serves on Michigan Governor Whitmer's Black Leadership Advisory Council**

## C



We will address racism and inequality in our **COMMUNITIES**

- Expanded **new Student Mentor Academies** for Black youth in Michigan and U.S. Gulf Coast
- Committed \$600,000 over five years to the **Dow Promise** program, resulting in 26 organizations and their respective programs receiving financial support
- Ongoing partnership with the **Coalition to Back Black Businesses** leading to **45 small, Black-owned businesses** in Dow communities receiving financial support, mentorship, training and resources

## T



We will improve **TALENT** representation across the company and support the Black talent pipeline

- Committed **\$4.5MM to OneTen** to help change the Human Capital Paradigm and address inter-generational systemic inequity
- Continued **\$5MM+ support to HBCUs** through 2025
- Renewed commitment to Dow's **Advocacy-in-Action Sponsorship Program** to develop and retain Black talent
- Developing our people leaders through **new advanced inclusion training**



# Supplier Diversity Builds Strong Communities and Financial Results



## Strategic partnerships and accomplishments

Dow won the China Women's Empowerment Principles' Award in the Gender-Inclusive Workplace category

Dow became a "Cascading Customer" with L'Oreal in Supplier Diversity

Dow co-founded the MSDUK Accelerator Program

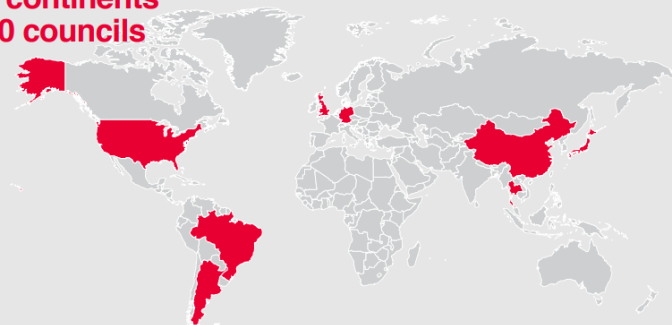
Dow signed Unilever's Supplier Equity, Diversity and Inclusion Promise

Active corporate participant in Capacity Zurich

WBENC Chemical Industry Group co-chair

## International Presence

**10 countries**  
**4 continents**  
**10 councils**



**2,100+**

small and diverse suppliers  
**107 New Vendors**

## 2022 YTD Progress

**\$176MM**

Global diverse supplier spend on pace to surpass 2022 target (\$245MM)

**73**

New diverse suppliers

**76%**

Retention of existing diverse suppliers



# Investing in our Communities and Creating Social Impact

## Global Citizenship Priority Areas & Highlighted Programs



### Advancing Sustainable Solutions

- Dow's **Business Impact Fund** has supported **51** projects in **21** countries totaling **\$9.78MM** in investments for projects that use Dow products and technology for social good.
- Partnered with **Restore the Earth** to plant more than **10,000** native trees to reforest 100 acres in the Bayou Des Allemands park in Louisiana.



### Developing Tomorrow's Innovators

- Supported **Teach For All's** STEM teacher recruitment, professional development and educator placement in underserved schools in Nigeria, Argentina and Spain.
- National Legacy Sponsor of the **Creators Wanted** campaign – led by the **U.S. National Association of Manufacturers** and **The Manufacturing Institute** – that aims to reduce the skilled trades gap by educating, inspiring and empowering the next generation of professionals.



### Building Inclusive Communities

- Launched a campaign with **DonorsChoose** to provide teachers in Dow communities across the U.S with identity-affirming classroom materials, impacting more than 44,000 students.
- Since its launch, the **ALL /N ERG Fund** has supported **37** projects in **20** countries. The grant program allows Employee Resource Group participants and charitable organizations to champion inclusion in their local communities.



### Engaging for Impact

- More than **3,500** Team Dow volunteers gave nearly **9,000** hours as part of Dow's **Global Serve-a-Thon** – to address community needs in **24** different countries through **150** different projects.
- **1,000+** Dow employees from **16+** countries participated in **Martin Luther King Jr. Day** programming.

## Making an Impact



**\$32.4MM** Corporate + Foundation  
+ In-kind invested



**50%** of Dow employees  
volunteered<sup>1</sup>



**The Civic 50 Award** – named by Points of Light for two consecutive years, as one of the most community-minded companies in the U.S.



**29,729** people experienced  
health improvements

# Corporate Governance

# Best-in-Class Board Governance

Board Independence	Director Elections	Board Practices	Stock Ownership Requirements	Stockholder Rights	ESG Accountability
<p>11 of 12 Directors are independent</p> <p>All Board Committees comprised of independent Directors</p> <p>Strong Independent Lead Director with clearly identified role and responsibilities</p>	<p>Annual election by majority of votes cast; resignation policy if not elected</p> <p>Demonstrated Board refreshment emphasizing diverse thought and experience</p> <p>Director orientation and education programs</p>	<p>Independent Directors regularly hold executive session</p> <p>Annual Board and Committee evaluations</p> <p>Annual review of Board leadership structure and election of Independent Lead Director</p>	<p>Directors subject to stock ownership guidelines</p> <p>Directors required to hold Company granted equity awards and settle upon retirement</p> <p>Hedging or pledging Company stock is prohibited</p>	<p>Stockholder right to call special meetings with 25% ownership</p> <p>No supermajority voting requirements</p> <p>Eligible stockholders able to nominate directors through proxy access</p>	<p>Active Board oversight of ESG priorities, risk management and performance</p> <p>Industry-leading ESG reporting transparency</p> <p>Diverse and inclusive senior leadership</p>

**A commitment to high ethical standards and sound governance practices that protect the long-term interest of our shareholders**



# Our Board of Directors



**Jim Fitterling**

Chairman and Chief Executive Officer, Dow Inc.

White/Man/LGBTQ+



**Richard K. Davis**

Lead Director, Dow  
Former Executive Chairman and Chief Executive Officer, U.S. Bancorp

White/Man ●●



**Samuel R. Allen**

Former Chairman and Chief Executive Officer, Deere & Company

White/Man ●●●



**Gaurdie Banister Jr.**

Former President and Chief Executive Officer, Aera Energy LLC

Black/Man ●●



**Wesley G. Bush**

Former Chairman and Chief Executive Officer, Northrup Grumman Corporation

White/Man ●●●



**Jerri DeVard**

Former Executive Vice President and Chief Customer Officer for Office Depot, Inc.

Black/Woman ●●



**Debra L. Dial**

Senior Vice President, Chief Accounting Officer and Controller, AT&T Inc.

White/Woman ●●



**Jeff M. Fettig**

Former Chairman and Chief Executive Officer, Whirlpool corporation

White/Man ●●



**Jacqueline C. Hinman**

Former Chairman, President and Chief Executive Officer, CH2M HILL

White/Woman ●●●



**Luis Alberto Moreno**

Managing Director, Allen & Co LLC

Latino/Man ●●



**Jill S. Wyant**

President and Chief Executive Officer, Madison Indoor Air Quality

White/Woman ●●



**Daniel W. Yohannes**

Former U.S. Ambassador to the Organization for Economic Co-operation and Development

Black/Man ●●

**Board Committees**

- Audit
- Corporate Governance
- Compensation and Leadership Development
- Environment, Health, Safety & Technology

**92%** INDEPENDENT DIRECTORS

**~4** YEARS AVERAGE TENURE ON BOARD

**~58%** WOMEN OR U.S. ETHNIC REPRESENTATION



# Our Leadership Team



**Jim Fitterling**  
Chairman and  
Chief Executive Officer  
White/Man/LGBTQ+



**Howard Ungerleider**  
President and  
Chief Financial Officer  
White/Man



**Lisa Bryant**  
Chief Human Resources Officer  
Black/Woman



**Neil Carr**  
President, Europe, Middle East,  
Africa and India  
White/Man



**Karen S. Carter**  
President, Packaging &  
Specialty Plastics  
Black/Woman



**Mauro Gregorio**  
President, Performance Materials &  
Coatings; Latin America oversight  
Latino/Man



**Melanie Kalmar**  
Corporate Vice President,  
Chief Information Officer and  
Chief Digital Officer  
White/Woman



**Torsten Kraef**  
Senior Vice President,  
Corporate Development  
White/Man



**Jane Palmieri**  
President, Industrial Intermediates &  
Infrastructure; Asia Pacific oversight  
White/Woman



**John Sampson**  
Senior Vice President, Operations,  
Manufacturing and Engineering  
Black/Man



**A.N. Sreeram**  
Senior Vice President,  
Research & Development, and  
Chief Technology Officer  
Asian/Man



**Amy E. Wilson**  
General Counsel and  
Corporate Secretary  
White/Woman

Gender diversity of our leadership team is top-quartile and ethnic diversity significantly outpaces our industry peers

**42%** OF OUR LEADERSHIP TEAM ARE U.S. ETHNIC MINORITIES

**42%** OF OUR LEADERSHIP TEAM ARE WOMEN



# Highly Skilled and Independent Board of Directors

---

8/12

## Public company executive/CEO experience

*Directors who have held leadership positions in a public company possess an understanding of public company regulations, strategy and risk management.*

7/12

## Manufacturing and industry experience

*Directors who have experience in the industry and markets served by the Company offer valuable perspective for operations.*

8/12

## Technology and science expertise

*Directors who have expertise in the science or technology fields – including digital, e-commerce and cybersecurity – are particularly important given the Company's focus on digitalization, research and innovation.*

6/12

## Environmental experience

*Directors with environmental, sustainability or climate-related experience strengthen the Board's oversight of environmental policies, ESG initiatives and reporting.*

7/12

## Public policy experience

*Directors with public policy and government experience have key insight into the role of regulatory issues and government affairs affecting the Company.*

9/12

## Financial and accounting experience

*Directors with an advanced understanding of finance and accounting provide strong oversight of the Company's preparation of financial statements and risk management.*

10/12

## Corporate governance expertise

*Directors with public company board experience enhance the Board's corporate governance practices.*

7/12

## Social experience

*Directors with social experience strengthen the Board's oversight of ID&E, corporate citizenship, social responsibility, ESG initiatives and reporting.*

# Strong Committees with Defined ESG and Risk Management Oversight

## Committee Best Practices

- All committees are comprised of independent directors
- Each committee operates to an annually reviewed written charter
- Executive sessions held at each regular committee meeting
- Each committee conducts an annual evaluation of its own performance
- Each committee executes complementary areas of annual risk management

### Audit

- Quality, reliability and integrity of financial statements and application of accounting principles
- Quality, reliability and integrity of ESG reporting
- Legal or regulatory requirements and ESG reporting frameworks, adequacy of internal controls
- Internal audit function performance
- Independent auditor engagement and performance
- Oversee the Company's risk management process

### Compensation & Leadership Development

- Leadership talent assessment; CEO succession
- Executive compensation and benefit plans including incentive programs and performance metrics, including ESG metrics
- Independent Compensation Consultant engagement and performance
- Oversee the Company's human capital management including ID&E commitment and results, work environment and culture philosophy

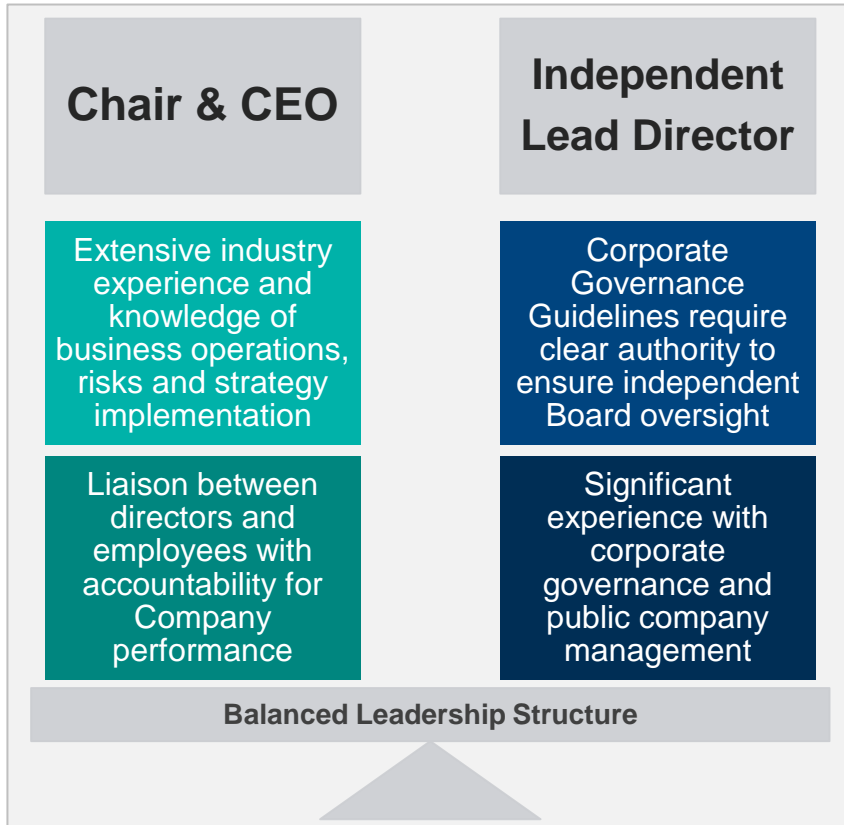
### Environment, Health, Safety & Technology

- Corporate citizenship, social responsibility, public policy and reputation
- Sustainability and ESG commitments and progress, including efforts to protect the climate, reduce carbon emissions, eliminate plastic waste and deliver circular economy solutions
- Science and technology capabilities and protection of intellectual property
- Political contributions and lobbying expenses
- Oversee Company's environment, health and safety policies, performance and compliance

### Corporate Governance

- ESG matters, including stockholder engagement and governance best practices
- Qualifications of director nominees
- Board structure and function including annual evaluation of Board and Committee performance
- Oversee the Company's governance practices

# The Right Board Leadership Structure for Dow



## Meet our Independent Lead Director:

Richard K. Davis



- Former Executive Chairman and Chief Executive Officer of U.S. Bancorp, parent company of U.S. Bank, one of the largest commercial banks in the United States.
- Former President and Chief Executive Officer of Make-A-Wish America.
- Board of Director Positions include:
  - Mr. Davis has been a Director of Dow Inc. since April 2019. Mr. Davis has served as Lead Director since April 2021.
  - Director of Mastercard Incorporated since 2018.
  - Director of Xcel Energy Inc. from March 2006 to May 2020.
  - Director of Wells Fargo & Company since April 2022.



Public company executive/CEO experience



Financial and accounting experience



Public policy experience



Corporate governance expertise



# Executive Compensation Linked to Priorities and Performance

- 1 Support the achievement of Dow's vision & strategy
- 2 Motivate & reward executives when they deliver desired business results & stockholder value
- 3 Attract & retain the most talented executives to succeed in today's competitive marketplace
- 4 Create an ownership alignment with stockholders

## Ambition

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

## Financial Priorities

Profitable Growth

Disciplined Capital Allocation

Low-Cost Operating Model

Best-Owner Mindset

Executive compensation strongly linked to strategic priorities & performance

## LEADERSHIP COMPENSATION METRICS

### Short-Term

- Operating EBIT
- Free Cash Flow
- ESG
  - Customer Experience
  - Inclusion & Diversity
  - World Leading Operations

### Long-Term

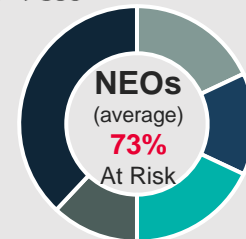
- Operating ROC
- Cumulative Cash from Operations
- Relative TSR
- ESG
  - *NEW*: GHG Emission Reduction

Management incentives squarely aligned with shareholder interests

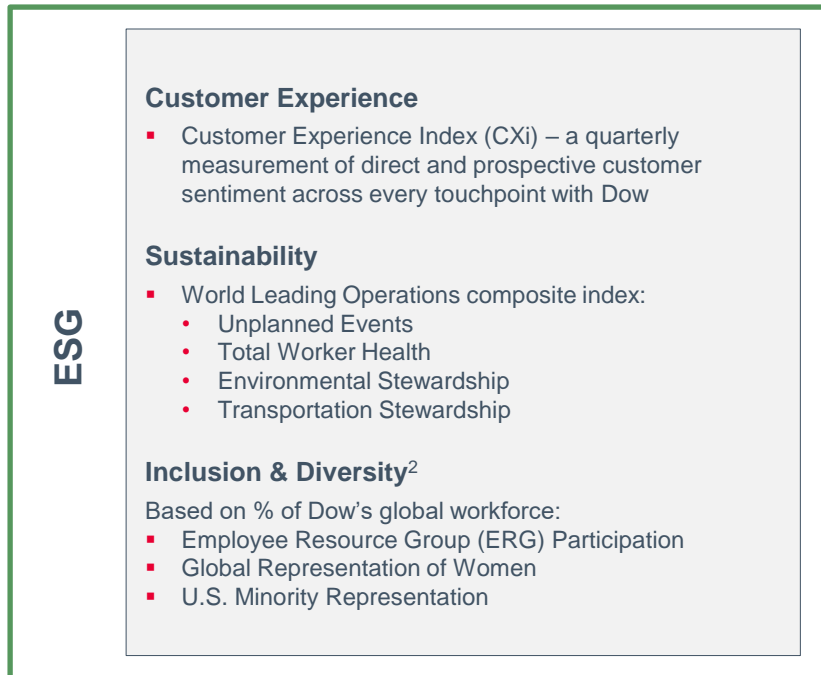
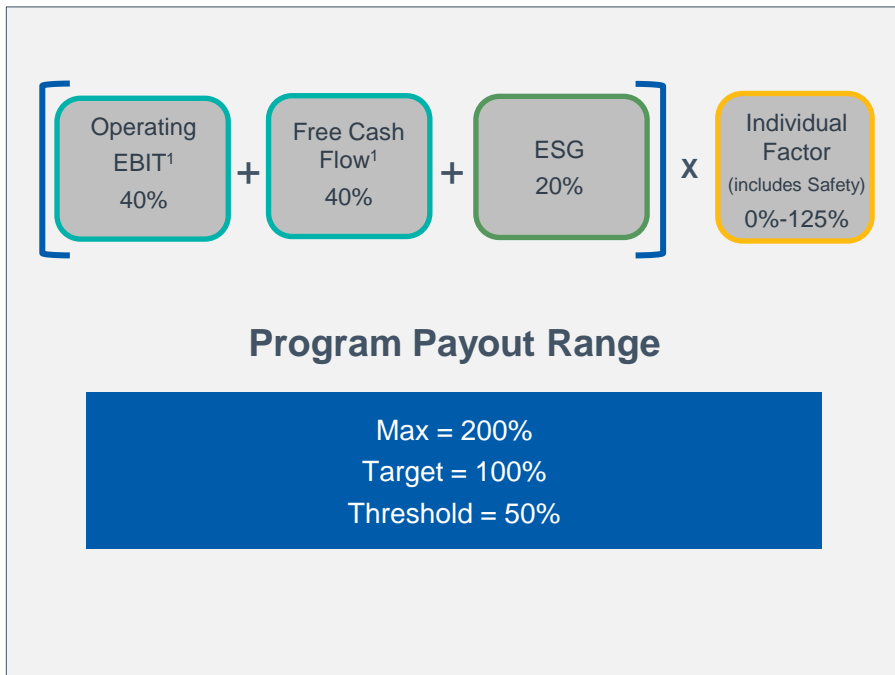
## Pay Mix



- Base Salary
- Annual Incentive
- LTI - RSUs
- LTI - Stock Opt.
- LTI - PSUs

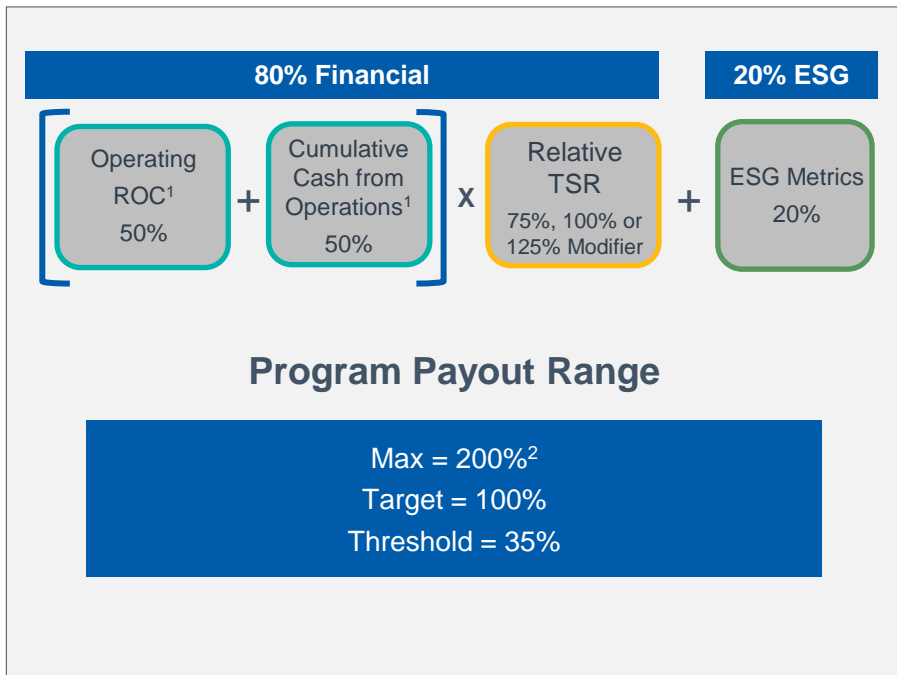


# 2022 Annual Performance Award Design



1) Operating EBIT and Free Cash Flow are non-GAAP measures. See the appendix for definitions and reconciliations.  
2) Approximately 3,000 people leaders and senior leaders are included in the program Inclusion & Diversity metrics.

# Enhancing 2022 Long-Term Incentive ESG Accountability



**ESG**

**Establish: GHG emission reduction plans**

- Establish GHG emission reduction plans for Scopes 1 and 2 for the top 25 Dow manufacturing sites by year-end 2022.
- If not achieved, the ESG metric is reduced to the threshold level.

**Define: Scope 3 GHG emissions exposure**

- Define Scope 3 GHG emission exposures by year-end 2023 for:
  - Purchased goods and services
  - Fuel and energy-related activities
  - Transportation/distribution

**Achieve: Cumulative GHG emissions reduction target**

- Achieve a cumulative GHG emissions reductions target for the three-year performance period compared with the 2020 baseline.

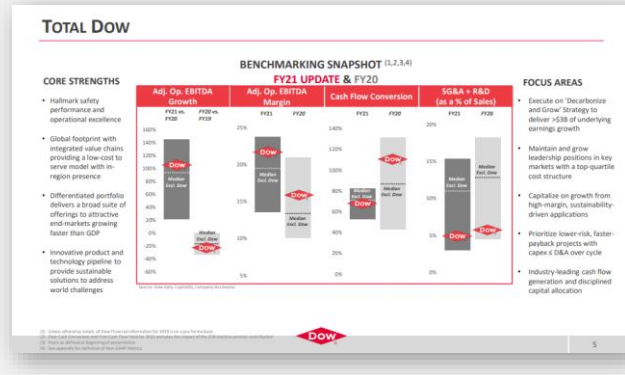
1) Operating ROC and Cumulative Cash from Operations are non-GAAP measures. See the appendix for definitions and reconciliations.

2) Capped at 200% for the combined total of Operating ROC plus Cumulative Cash from Operations, even when considering modification based on Relative TSR, plus ESG Metrics.



# Commitment to Best-in-Class Disclosure and Transparency

- Best-owner mindset:** Upheld commitment to disclosure and transparency by publishing our annual performance benchmarking, which demonstrated that Dow continues to deliver better results relative to our peers across many key financial performance metrics, including top-quartile EBITDA margins, return on capital, free cash flow yield, shareholder remuneration and debt reduction



- Holistic ESG report:** Covers four strategic areas of Environmental Protection; Inclusion, Diversity & Equity; Community Impact; and Corporate Governance
- Accountable and transparent:** Improved clarity and comprehensiveness of disclosures with specific and assured disclosures against the Global Reporting Initiative (GRI) and Greenhouse Gas Protocol
- Robust disclosures:** Disclosures in full alignment to the Taskforce on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) and World Economic Forum (WEF) Stakeholder Capitalism Metrics
- Improved reporting:** Raised the bar with improved carbon emissions reporting, climate risk disclosures, and greenhouse gas intensity metrics
- Versatile and accessible:** Available in a condensed, searchable online report with a comprehensive downloadable PDF option



# **Business Overview**

# Advancing our Ambition Enables Best-in-Class Performance

## AMBITION

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

## PURPOSE

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

## GOAL

Value growth and best-in-class performance

## VALUES



Integrity



Respect for People



Protecting Our Planet

## ESG PRIORITIES



Environmental Performance



Inclusion, Diversity & Equity



Community



Corporate Governance

# Advantaged Portfolio Well-Positioned to Address World Challenges

Feedstock and Site Integration

## PACKAGING & SPECIALTY PLASTICS

<b>3Q22 TTM Net Sales</b>  <span style="font-size: 24pt; color: #e91e63;">~\$30B</span>	<p style="text-align: center;"><b>Differentiated Position</b></p> <ul style="list-style-type: none"> <li>Advantaged feedstock and derivative flexibility</li> <li>Proprietary catalyst and process technology</li> <li>World-class application development</li> </ul>
---	---

## INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE

<b>3Q22 TTM Net Sales</b>  <span style="font-size: 24pt; color: #e91e63;">~\$18B</span>	<ul style="list-style-type: none"> <li>Flexible manufacturing model</li> <li>Cost-advantaged EO and derivative positions</li> <li>Formulation expertise</li> </ul>
---	--

## PERFORMANCE MATERIALS & COATINGS

<b>3Q22 TTM Net Sales</b>  <span style="font-size: 24pt; color: #e91e63;">~\$11B</span>	<ul style="list-style-type: none"> <li>World-scale siloxanes and acrylic monomers</li> <li>Leading coatings solutions provider</li> <li>Unique hybrid chemistries</li> </ul>
---	--

~\$59B TOTAL DOW

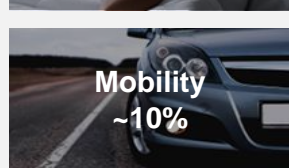
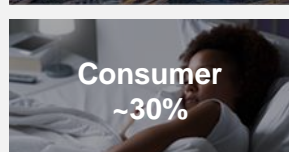
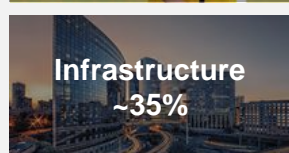
**Global Scale and Leading Positions, Net Sales by Geography<sup>1</sup>**

LAA
APAC
EMEAI
U.S. & Canada

### NEW VALUE POOLS

- Circularity
- Lower-Carbon and Sustainable Materials
- Green Buildings
- Digitalization
- Energy Transition
- Resource Efficiency

**Innovative Solutions for Attractive Verticals, Net Sales<sup>1</sup>**








Dow's global scale, leading positions and sustainable solutions address world challenges



<sup>1</sup> 3Q22 TTM

# Executing against our Strategic Priorities

 <p><b>DISCIPLINED CAPITAL ALLOCATION</b></p>	 <p><b>PROFITABLE GROWTH</b></p>	 <p><b>LOW-COST OPERATING MODEL</b></p>	 <p><b>BEST-OWNER MINDSET</b></p>	 <p><b>ESG LEADERSHIP</b></p>
<p>Prioritize lower-risk, faster-payback projects, capex ≤ D&amp;A over cycle</p>	<p>Maintain and grow leadership positions in key markets</p>	<p>Maintain top-quartile cost structure</p>	<p>Maintain culture of benchmarking</p>	<p>Decarbonize assets to zero-carbon emissions while expanding capacity</p>
<p>Maintain strong credit profile while improving financial flexibility</p>	<p>Advance incremental higher-growth, faster-payback investments</p>	<p>Delivered restructuring program run-rate of ~\$300MM</p>	<p>Enhanced transparency and disclosure</p>	<p>Capitalize on growth from high-margin, sustainability-driven applications</p>
<p>Higher ROIC, cash flow &amp; returns to shareholders</p>	<p>Deliver ~\$300MM of EBITDA benefit from digitalization</p>	<p>Disciplined execution to deliver projects on-time and on-budget</p>	<p>Evaluate and execute non-core asset transactions</p>	<p>Management incentives aligned with shareholders and ESG goals</p>

## ACROSS THE ECONOMIC CYCLE:

Increase underlying EBITDA by another >\$3B

Maintain industry-leading cash generation

>13% ROIC<sup>1</sup>

Return 65% of net income to shareholders

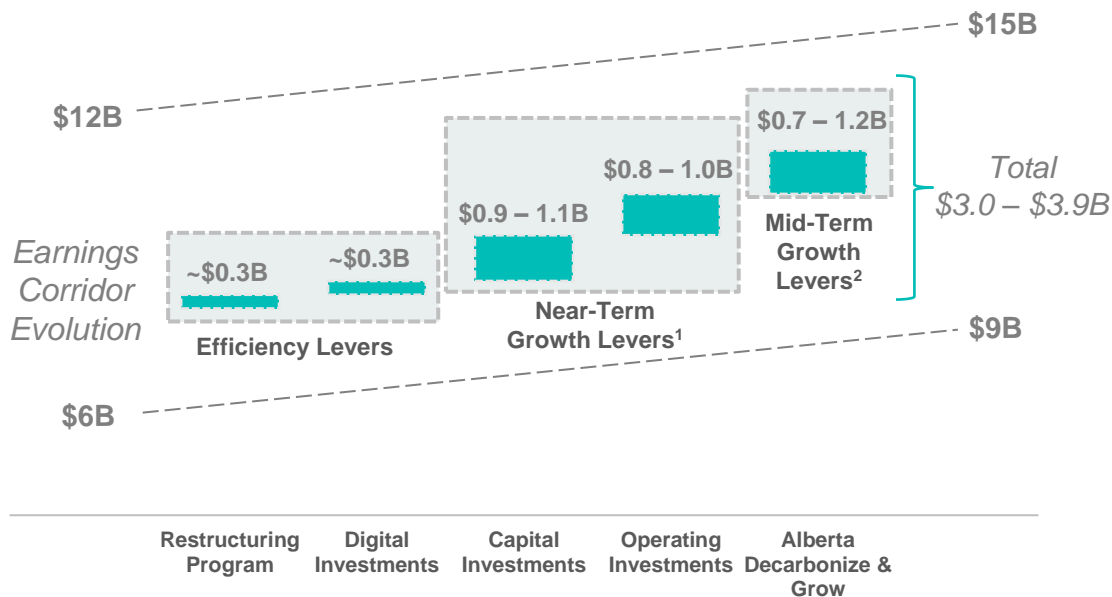
2.0x – 2.5x adjusted debt-to-EBITDA



1. Non-GAAP measure. For definitions and reconciliation to the most directly comparable U.S. GAAP measure, see supplemental information in the appendix and located at investors.dow.com under Financial Reporting. See the appendix for a full list of financial definitions.

# Driving Earnings Growth while Advancing Sustainability

## In-Flight Actions Increase Underlying EBITDA by >\$3B



## Additional Opportunities Supporting Earnings Trajectory

- Faster economic recovery led by post-pandemic consumer and industrial demand
- Tighter near-term supply and demand balances
- Differentiated pricing and margin uplift from low-carbon footprint and sustainable products
- High-margin licensing opportunities for low-CO<sub>2</sub> emitting process technologies

1. Based on cycle EBITDA % Revenue margin averages from 2016-2021 using publicly reported data  
 2. Plan includes 1650 kta C2 and derivatives capacity from new low/zero-carbon emissions brownfield assets;  
 estimated peak-to-trough EBITDA range based on Dow and IHS historical margins in Americas and operating rate of 90%

# A Compelling Investment Opportunity

✓ **Growing enterprise value** while driving to zero-carbon emissions

- ▶ **Attractive end-market participation** with industry-leading portfolio and cost positions
- ▶ Growth from **sustainability-driven solutions and circularity**
- ▶ Earnings upside from **high-return, low-risk investments** with capex at or below D&A

✓ **Leading cash flow generation**

✓ **Balanced capital allocation** and financial discipline

✓ **Attractive shareholder remuneration**



## OUR FINANCIAL TARGETS

*Across the economic cycle:*

- Increase underlying EBITDA by **another >\$3B**
- Maintain **industry-leading** cash generation
- **>13%** ROIC
- **2.0 – 2.5x** adjusted debt-to-EBITDA
- Return **65%** of net income to shareholders





Seek Together™

# General Comments

---

## Peer Groups

To assess the diversity of Dow's leadership team, we examined the boards of directors and executive leadership teams of industry peers and the compensation peer group to determine the percentage of female and U.S. ethnic minority representatives.

"Industry peers" refers to Arkema, Borealis, Celanese, Chevron Phillips, Covestro, Eastman, Exxon Chemicals, Huntsman, LyondellBasell, Shin-Etsu, Wacker Chemie

## Trademarks

The Dow Diamond, logo and all products, unless otherwise noted, denoted with <sup>TM</sup>, <sup>SM</sup> or © are trademarks, service marks or registered trademarks of The Dow Chemical Company or its respective subsidiaries or affiliates. Solely for convenience, the trademarks, service marks and trade names referred to in this communication may appear without the <sup>TM</sup>, <sup>SM</sup> or © symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names. This presentation may also contain trademarks, service marks and trade names of certain third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this communication is not intended to, and should not be read to, imply a relationship with or endorsement or sponsorship of us.

References to "Dow" or the "Company" mean Dow Inc. and its consolidated subsidiaries, including The Dow Chemical Company.



# Safe Harbor

---

## Cautionary Statement about Forward-Looking Statements

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

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

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



# Non-GAAP Financial Measures & Definitions

---

## Non-GAAP Financial Measures

This document includes financial information that does not conform to U.S. GAAP and is considered non-GAAP measures. Management uses these measures internally for planning, forecasting and evaluating the performance of the Company's segments, including allocating resources. Dow's management believes that these non-GAAP measures best reflect the ongoing performance of the Company during the periods presented and provide more relevant and meaningful information to investors as they provide insight with respect to ongoing operating results of the Company and a more useful comparison of year-over-year results. These non-GAAP measures supplement the Company's U.S. GAAP disclosures and should not be viewed as alternatives to U.S. GAAP measures of performance. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. Non-GAAP measures included in this presentation are defined below. Comprehensive reconciliations to the most directly comparable U.S. GAAP measure are available under Financial Reporting on [investors.dow.com](https://investors.dow.com).

**Operating EBIT** is defined as earnings (i.e., "Income (loss) from continuing operations before income taxes") before interest, excluding the impact of significant items.

**Pro Forma Operating EBIT** is defined as earnings (i.e., "Loss from continuing operations before income taxes") before interest, plus pro forma adjustments, excluding the impact of significant items.

**Operating EBITDA** is defined as earnings (i.e., "Income (loss) from continuing operations before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.

**Pro Forma Operating EBITDA** is defined as earnings (i.e., "Loss from continuing operations before income taxes") before interest, depreciation and amortization, plus pro forma adjustments, excluding the impact of significant items.

**Cash Flow Conversion** is defined as "Cash flows from operating activities - continuing operations" divided by Operating EBITDA. Management believes Cash Flow Conversion is an important financial metric as it helps the Company determine how efficiently it is converting its earnings into cash flow.

**Free Cash Flow** is defined as "Cash flow from operating activities - continuing operations," less capital expenditures. Under this definition, Free Cash Flow represents the cash generated by Dow from operations after investing in its asset base. Free Cash Flow, combined with cash balances and other sources of liquidity, represents the cash available to fund obligations and provide returns to shareholders. Free Cash Flow is an integral financial measure used in the Company's financial planning process.

**Free Cash Flow Yield** is defined as Free Cash Flow divided by market capitalization.

"**CFFO**" is cash provided by (used for) operating activities - continuing operations (GAAP)

**Cumulative Cash from Operations** is Cash provided by operating activities—continuing operations

**Operating ROC** is defined as net operating profit after tax (excluding significant items) divided by total average capital, also referred to as ROIC.

**Net Debt** is defined as gross total debt minus "Cash and cash equivalents" and "Marketable securities."



# Appendix

## Reconciliation of “Income (loss) from continuing operations, net of tax” to “Operating EBITDA”

In millions (Unaudited)			
TWELVE MONTHS ENDED DECEMBER 31	2021	2020	2019
	As Reported	As Reported	Pro Forma
Income (loss) from continuing operations, net of tax (GAAP)	\$ 6,405	\$ 1,294	\$ (1,717)
+ Provision for income taxes on continuing operations	1,740	777	470
Income (loss) from continuing operations before income taxes	\$ 8,145	\$ 2,071	\$ (1,247)
- Interest income	55	38	81
+ Interest expense and amortization of debt discount	731	827	933
+ Pro forma adjustments	-	-	65
- Significant items	(712)	145	(4,682)
Operating EBIT (non-GAAP)	\$ 9,533	\$ 2,715	\$ 4,352
Depreciation and amortization	2,842	2,874	2,938
Operating EBITDA (non-GAAP)	\$ 12,375	\$ 5,589	\$ 7,290

## Reconciliation of “Cash provided by operating activities - continuing operations” to “Free cash flow” and “Cash flow conversion”

In millions (Unaudited)			
TWELVE MONTHS ENDED DECEMBER 31	2021	2020	2019
	As Reported	As Reported	Pro Forma
Cash provided by operating activities - continuing operations (GAAP)	\$ 7,069	\$ 6,252	\$ 5,713
Capital expenditures	(1,501)	(1,252)	(1,961)
Free cash flow (non-GAAP) <sup>1</sup>	\$ 5,568	\$ 5,000	\$ 3,752
Operating EBITDA (non-GAAP)	\$ 12,375	\$ 5,589	\$ 7,290
Cash flow conversion (Operating EBITDA to cash flow from operations) (non-GAAP) <sup>1</sup>	57.1 %	111.9 %	78.4 %

1) Free cash flow for the year ended December 31, 2021 reflects a \$1 billion elective pension contribution.



# Appendix

## Reconciliation of “Net income (loss) available for Dow Inc. common stockholders” to “Operating net income from continuing operations available for Dow Inc. common stockholders”

In millions (Unaudited)			
TWELVE MONTHS ENDED DECEMBER 31	2021	2020	2019
	As Reported	As Reported	Pro Forma
Net income (loss) available for Dow Inc. common stockholders (GAAP)	\$ 6,311	\$ 1,225	\$ (1,359)
- Income from discontinued operations, net of tax	-	-	432
+ Pro forma adjustments	-	-	52
Pro forma net income (loss) from continuing operations available for Dow Inc. common stockholders	\$ 6,311	\$ 1,225	\$ (1,739)
- Significant items, after tax	(459)	(8)	(4,373)
Operating net income from continuing operations available for Dow Inc. common stockholders (non-GAAP)	\$ 6,770	\$ 1,233	\$ 2,634

## Reconciliation of Operating return on capital (ROC)

In millions (Unaudited)			
TWELVE MONTHS ENDED DECEMBER 31	2021	2020	2019
	As Reported	As Reported	Pro Forma
Operating net income from continuing operations available for Dow Inc. common stockholders (non-GAAP)	\$ 6,770	\$ 1,233	\$ 2,634
Net income attributable to noncontrolling interests	94	69	74
Gross interest expense	790	892	1,013
Imputed interest expense - operating leases	67	77	91
Tax on gross interest expense	(211)	(294)	(239)
Operating net operating profit from continuing operations after tax (non-GAAP)	\$ 7,510	\$ 1,977	\$ 3,573
Average total capital from continuing operations (non-GAAP)	\$ 33,481	\$ 32,785	\$ 39,016
Operating return on capital (non-GAAP) <sup>1</sup>	22.4 %	6.0 %	9.2 %

1) This measure of return excluded from income significant items which Dow did not consider part of ongoing operations.



# Appendix

## Reconciliation of “Net income” to “Operating EBIT” and “Operating EBITDA”

In millions (Unaudited)	
THREE MONTHS ENDED SEPTEMBER 30	2022
Net income	\$ 760
+ Provision for income taxes	241
Income before income taxes	\$ 1,001
- Interest income	41
+ Interest expense and amortization of debt discount	155
- Significant items	(80)
Operating EBIT (non-GAAP)	\$ 1,195
Depreciation and amortization	668
Operating EBITDA (non-GAAP)	\$ 1,863
Operating EBITDA – trailing twelve months (“TTM”) basis (non-GAAP)	\$ 11,013

## Reconciliation of “Cash provided by operating activities - continuing operations” to “Free Cash Flow” and “Free Cash Flow Yield”

In millions (Unaudited)				
THREE MONTHS ENDED	Sep 30, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,940	\$ 2,557	\$ 1,656	\$ 1,920
Capital expenditures	(452)	(466)	(297)	(577)
Free Cash Flow (non-GAAP) <sup>1</sup>	\$ 1,488	\$ 2,091	\$ 1,359	\$ 1,343
Free Cash Flow - TTM basis (non-GAAP)	\$ 6,275	\$ 5,568	\$ 5,000	\$ 3,752
End of period market capitalization <sup>2</sup>	\$ 30,916	\$ 41,701	\$ 41,247	\$ 40,582
Free Cash Flow Yield (non-GAAP)	20.3 %	13.4 %	12.1 %	9.2 %

1. Free cash flow for the year ended December 31, 2021 reflects a \$1 billion elective pension contribution.

2. Calculated as the period-end share price of Dow Inc. times the period-end shares outstanding of Dow Inc.



# Appendix

## Reconciliation of Net debt

In millions (Unaudited)			
TWELVE MONTHS ENDED DECEMBER 31	2021	2020	2019
Notes payable	\$ 161	\$ 156	\$ 586
Long-term debt due within one year	231	460	435
Long-term debt	14,280	16,491	15,975
Gross debt (GAAP)	\$ 14,672	\$ 17,107	\$ 16,996
- Cash and cash equivalents	2,988	5,104	2,367
- Marketable securities	245	45	21
Net debt (non-GAAP)	\$ 11,439	\$ 11,958	\$ 14,608