



2017 DOW SUSTAINABILITY REPORT

EXECUTIVE SUMMARY

Dow's 2017 Sustainability Report presents our annual update on sustainability performance across economic, environmental and social dimensions, and progress toward meeting our 2025 Sustainability Goals. Since 2003, Dow has applied the framework for reporting provided by the Global Reporting Initiative. Through science and collaboration, Dow's people are working across the Company to redefine the role of business by innovating solutions that advance business and society and by valuing nature in all of our decisions. With our 2025 Sustainability Goals, Dow is focused on developing collaborative blueprints that integrate public policy solutions, science and technology, and value chain innovation. The aim is to build solutions among government, business and society that generate shared value and are long-lasting, scalable and transformative. These 10-year goals are designed to harness Dow's innovation strengths, global reach and the passion of our employees.



Leading the Blueprint

Dow seeks to lead in developing societal blueprints that integrate public policy solutions, science and technology, and value chain innovation to facilitate the transition to a more sustainable planet and society. Dow's blueprints will align to the United Nations Sustainable Development Goals (SDGs) to ensure significance and relevance to solving societal challenges.

2017 Highlights:

- Finalized a framework for blueprints, including defining criteria to determine topics for blueprint development. Based on these criteria, a pipeline of blueprint topics was defined, and working groups were assigned.
- Developed the Watershed Management blueprint, which was launched at the World Water Forum in March 2018.



Delivering Breakthrough Innovations

Dow's Delivering Breakthrough Innovations Goal is to "deliver breakthrough sustainable chemistry innovations that advance the well-being of humanity." The core belief behind this goal is that collaborations of passionate and creative people at the intersections of the sciences will solve world challenges.

2017 Highlights:

- Earned a U.S. Presidential Green Chemistry Award; six of 10 R&D 100 awards for sustainability-related products; and an EPA Safer Choice Partner of the Year award.
- Identified business-specific goals to deliver breakthrough innovations. One-hundred percent of the business units within Dow have sustainability goals. Each business unit has goals that are unique to them, reflecting their opportunities and challenges that go beyond the specific targets of the corporate 2025 Sustainability Goals.
- Continued to use the Sustainable Chemistry Goal Index to evaluate, track and improve business performance, and have published details on the method in the ACS Sustainable Chemistry & Engineering journal.



Advancing a Circular Economy

Through innovation and collaboration, Dow will help facilitate the world's transition to a circular economy, where waste and pollution are designed out of new products and services

2017 Highlights:

- Launched collaboration on a pilot project in Europe to develop a market for recycled polyols from end-of-life mattresses.
- Delivered the first certified renewable low-density polyethylene to a customer.



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 the Company and better for ecosystems.

2017 Highlights:

- Generated \$120 million in cost savings or new cash flow from projects that are good for business and better for ecosystems. With \$40 million in value generated in 2016, Dow has achieved a total of \$160 million toward its goal of creating \$1 billion by 2025 for the Company by valuing nature in business decisions.
- Conducted first-ever business workshops within Dow to inspire and educate employees to incorporate nature into decision-making. The workshops are used to identify current and future opportunities for Valuing Nature projects.



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. In 2017, Dow refreshed what was previously known as the Increasing Confidence in Chemical Technology Goal to Safe Materials for a Sustainable Planet.

2017 Highlights:

- Initiated our Product Stewardship Academy, with outreach in Kenya, Nigeria and Ghana, to promote product safety. The Dow Product Stewardship Academy is about recognizing the needs of emerging countries and growing sales responsibly.
- Received a LAUNCH Chemistry Award for development of predictive safety assessment tools.



Engaging for Impact: Communities, Employees, Customers

Dow people around the world directly apply their passion and expertise to advance the well-being of people and the planet. The power of Dow employees using their professional skills will enable sustainable development one community at a time, all over the world.

2017 Highlights:

- More than 3,000 STEM Ambassadors supported more than 2,500 teachers and 700 projects – enhancing STEM opportunities for more than 380,000 students.
- Provided nearly \$1 million in support of six global projects through the Dow Business Impact Fund.
- Invested \$39.74 million in corporate and foundation contributions, driving employee, customer and community engagement.
- Continued to evolve our skill-based volunteer programs through our fifth annual Leadership in Action and Global Health Corporate Champion programs. Nearly 50 employees were deployed to work on 10 projects with non-governmental organizations (NGOs) and universities in Vietnam and Ghana.
- Launched the DowCorps Volunteer Portal, an online tool employees use to find and track volunteer opportunities.



World-Leading Operations Performance

We will maintain world-leading operations performance in natural resource efficiency, environment, health and safety.

2017 Highlights:

- Achieved or exceeded annual targets for each of our four key indicators of World-Leading Operations Performance: Unplanned Event Reduction, Total WorkerHealth™ Index, Environmental Stewardship Index and Transportation Stewardship Index.
- Achieved a 10 percent reduction in equivalent tons of CO₂ emitted at Dow's Texas City site after it reduced its energy consumption.
- Eliminated 30 Priority 1 health risks, exceeding its 2017 target of 25 reductions and bringing the total to 50 reductions since the launch of the 2025 Goals. Among the actions that Dow is taking to realize its Total WorkerHealth™ targets is the implementation of Life's Simple 7 (LS7), a program created by the American Heart Association (AHA) to evaluate employees' health.
- Introducing telematics devices in all Company-owned or leased vehicles by January 1, 2019. These devices will help to improve safety and skills by alerting the driver when the speed limit in force is temporarily exceeded, when harsh acceleration, braking or cornering is observed, or when a lane-handling deviation occurs.
- Innovating new technologies to remove workers from higher-hazard activities to help achieve our 2025 target to "eliminate fatalities, reduce severe injury and illness incidents and maintain its total recordable injury and illness rate at industry-leading levels." Examples include implementing robotic high-pressure water cleaning, robotics to eliminate the need for confined space entry, and drones to eliminate certain elevated work.