



Dow[®]



Joint Modern Slavery Statement

Dow Chemical (Australia) and
Dow Performance Materials (Australia)

Foreword

As a global leader in the chemical industry, the Dow group of companies strives to uphold the protection of human rights, particularly working with various suppliers across its operating segments. This is a core part of our business.

The nature of our business means our suppliers are varied and diverse, so it follows naturally that we are constantly reviewing and addressing modern slavery concerns as a key priority.

The Dow group of companies (“Dow”, “it”, “its”, “we” or “our”) - through its parent company - is a signatory to the United Nations Global Compact, and is committed to combatting slavery and human trafficking worldwide. Respect for people is an integral part of our core values.

At Dow, we operate a number of mechanisms to ensure respect for people is maintained in all aspects of our business. The [Dow Code of Conduct](#), [Dow Human Rights Policy](#), [Supplier Code of Conduct](#) and Dow’s [“Expectations of Suppliers” Statement](#) have all existed for some time to codify methods of identifying and managing risk across Dow’s subsidiaries globally.

Combining these existing codes and our obligations pursuant to the Modern Slavery Act 2018 (Cth), framework will ensure modern slavery risks and concerns are managed throughout all aspects of Dow’s business.

In FY2020, we increased our commitment to testing mechanisms and broadening risk analysis. By mapping our Tier One supply chain, we reviewed areas of our business that were potentially susceptible to risks of modern slavery practices.

Our continued listing on the Dow Jones Sustainability Indices since its inception in 1999 is reflective of our position as one of the top companies in the global chemical industry in terms of sustainability performance.

Further enhancing our commitment to sustainability, we have become a Supplier Member on the third-party supply chain sustainability platform EcoVadis, which assesses suppliers on, among other things, its labour practices and human rights. In 2020, Dow was awarded silver status by EcoVadis, placing in the top 11 per cent of assessed companies.

In addition to reviewing mechanisms currently enforced at Dow to minimise the risk of modern slavery, this report also looks to Dow’s future endeavours to improve its modern slavery practices.

These include expanding the remit of supplier mapping to Tier Two suppliers, and reviewing and updating our procurement policies and processes through our Global Purchasing Sustainability Team. In FY21, we will also define indicators that will allow us to quantifiably measure our performance in managing modern slavery risks.

While there are extensive measures Dow implements to mitigate these risks, we recognise the importance of constantly reviewing and improving these measures across our supply chain and employee development to maintain an appropriate level of vigilance.

Introduction

Dow Chemical (Australia) Pty Ltd (ACN 000 264 979) and Dow Performance Materials (Australia) Pty Ltd (ACN 004 513 188) (collectively, “**Dow Australia**” or “**we**”), make this joint statement pursuant to the Australian Modern Slavery Act 2018 (Cth). It constitutes The Dow Chemical Company’s Australian subsidiaries’ slavery and human trafficking statement for the financial year ending 31 December 2020. This statement sets out the steps taken by Dow Australia during this period to identify and mitigate potential modern slavery risks in its business operations and supply chains.

We are committed to combatting slavery and human trafficking globally through various mechanisms in our own business and supply chains.



(Criteria 1) Reporting Entities

This Statement is a joint statement comprising the following reporting entities:

- Dow Chemical (Australia) Pty Ltd (ACN 000 264 979)
- Dow Performance Materials (Australia) Pty Ltd (ACN 004 513 188)

(Criteria 2)

Our Organisation

Structure

Dow's operations in Australia are primarily covered by Dow Australia which are ultimately owned by Dow Inc. through Dow Inc.'s ownership of The Dow Chemical Company (TDCC), both being US-incorporated companies. Dow Australia do not own or have a controlling interest in any other entities.

Operations

Dow is a global leader in the chemical industry. Our market-driven, industry-leading portfolio of advanced materials, industrial intermediates and plastics businesses delivers a broad range of differentiated technology-based products and solutions for customers in high-growth markets such as packaging, infrastructure, mobility and consumer care.

Dow has more than 6,000 product families, manufactured at 106 sites in 31 countries across the globe. Our portfolio includes six global businesses organised into three operating segments:

- Performance Materials & Coatings
- Industrial Intermediates & Infrastructure
- Packaging & Specialty Packaging



Performance Materials & Coatings includes industry-leading franchises that deliver a wide array of solutions into consumer and infrastructure end-markets. This segment consists of two global businesses – Coatings & Performance Monomers and Consumer Solutions.

These businesses use Dow’s acrylics, cellulose and silicone-based technology platforms to serve the needs of the architectural and industrial coatings, home care and personal care end-markets.

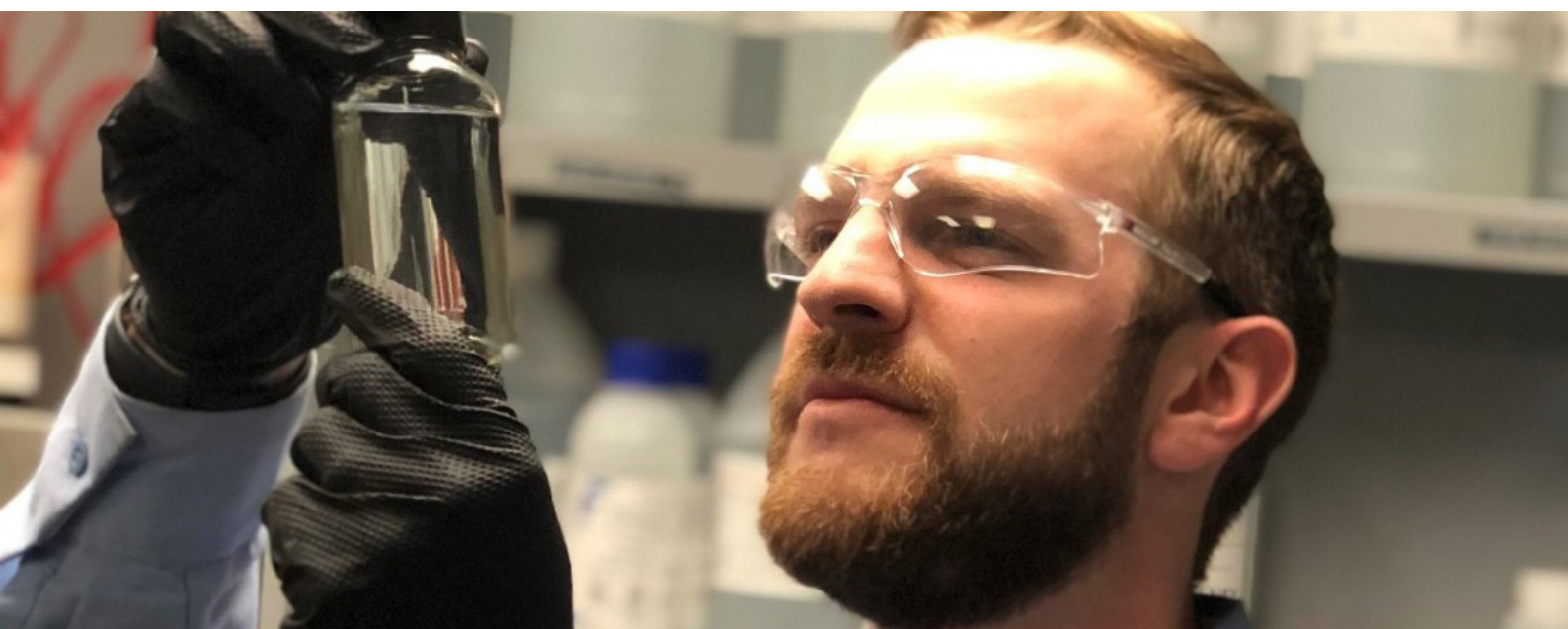
Industrial Intermediates & Infrastructure consists of two customer-centric global businesses, Industrial Solutions and Polyurethanes, that develop important intermediate chemicals that are essential to manufacturing processes, as well as downstream, customised materials and formulations that use advanced development technologies.

These businesses produce and market ethylene oxide and propylene oxide derivatives that are aligned to market segments as diverse as appliances, coatings, infrastructure and oil and gas.

Packaging & Specialty Plastics is a world leader in plastics and consists of two highly integrated global businesses, Hydrocarbons & Energy and Packaging & Specialty Plastics.

This segment employs the industry’s broadest polyolefin product portfolio, supported by Dow’s proprietary catalyst and manufacturing process technologies, to deliver high performing and more sustainable plastics to customers in:

- Food and specialty packaging
- Industrial and consumer packaging
- Health and hygiene
- Caps, closures and pipe applications
- Consumer durables
- Infrastructure



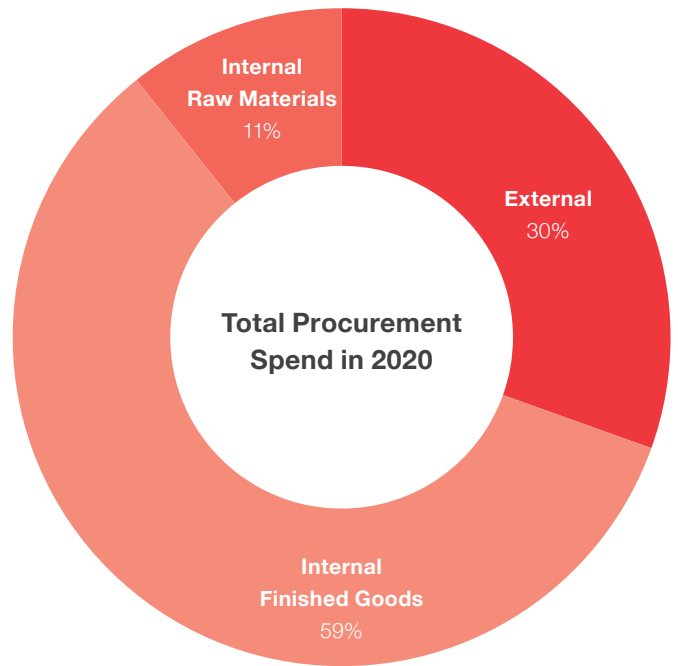
Dow Australia’s operations encompass all of Dow’s global business units, providing specialty chemicals, industrial intermediates and plastics to our Australian customers through a combination of local manufacturing and importing of our overseas produced product lines.

We employ approximately 100 people across our operations in Australia. The majority are located between our commercial offices in Melbourne (sales, customer service, supply chain, finance and admin) and our manufacturing site in Geelong, supporting our Coatings business.

Supply Chains

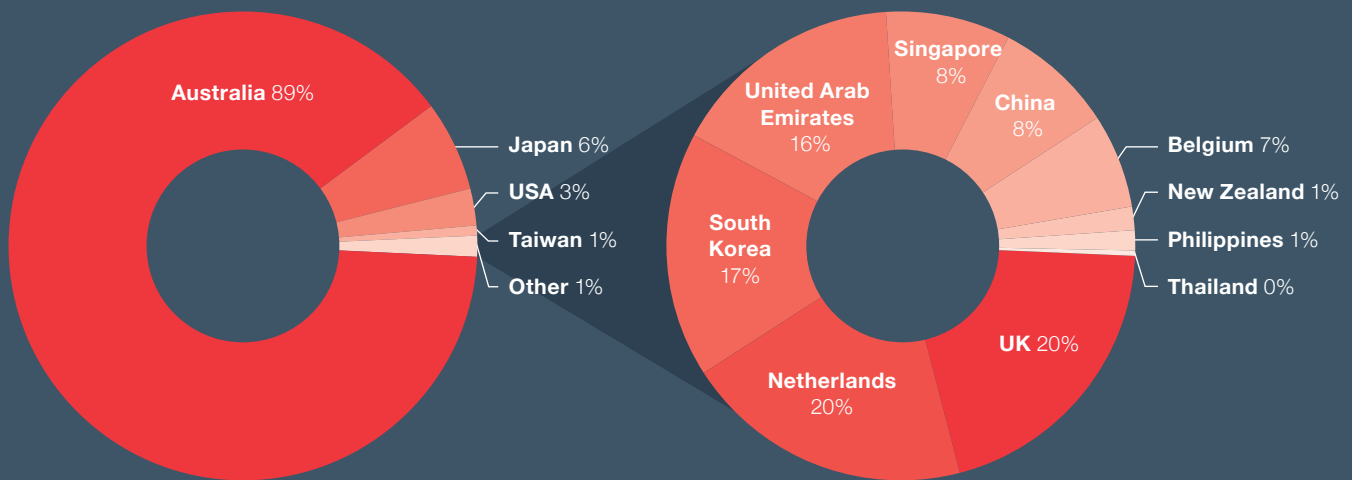
We are a proud local manufacturer, and we import a range of specialty chemicals and products. Our direct supply chain procurement consists primarily of raw materials, energy and utilities, maintenance and capital, logistics, transportation and warehousing, specialist consultancies, labour, and corporate services.

Internally procured materials is the largest category of our supply chain spend. In FY20, this represented 70 per cent of our procurement spend, consisting of finished goods from our overseas manufacturing sites for resale to our local customers (59 per cent) and raw materials for our local manufacturing operations (11 per cent). The remaining 30 per cent of our procurement spend is through external suppliers.



In FY20, we purchased goods and services from 388 external suppliers. The majority of these suppliers were located in Australia and represented 89 per cent of our external supplier spend. Procurement from overseas suppliers was spread over 13 different countries, but largely focused on Japan, the US and Taiwan.

External Procurement by Country in 2020



(Criteria 3)

Risk of Modern Slavery

Operational Risks

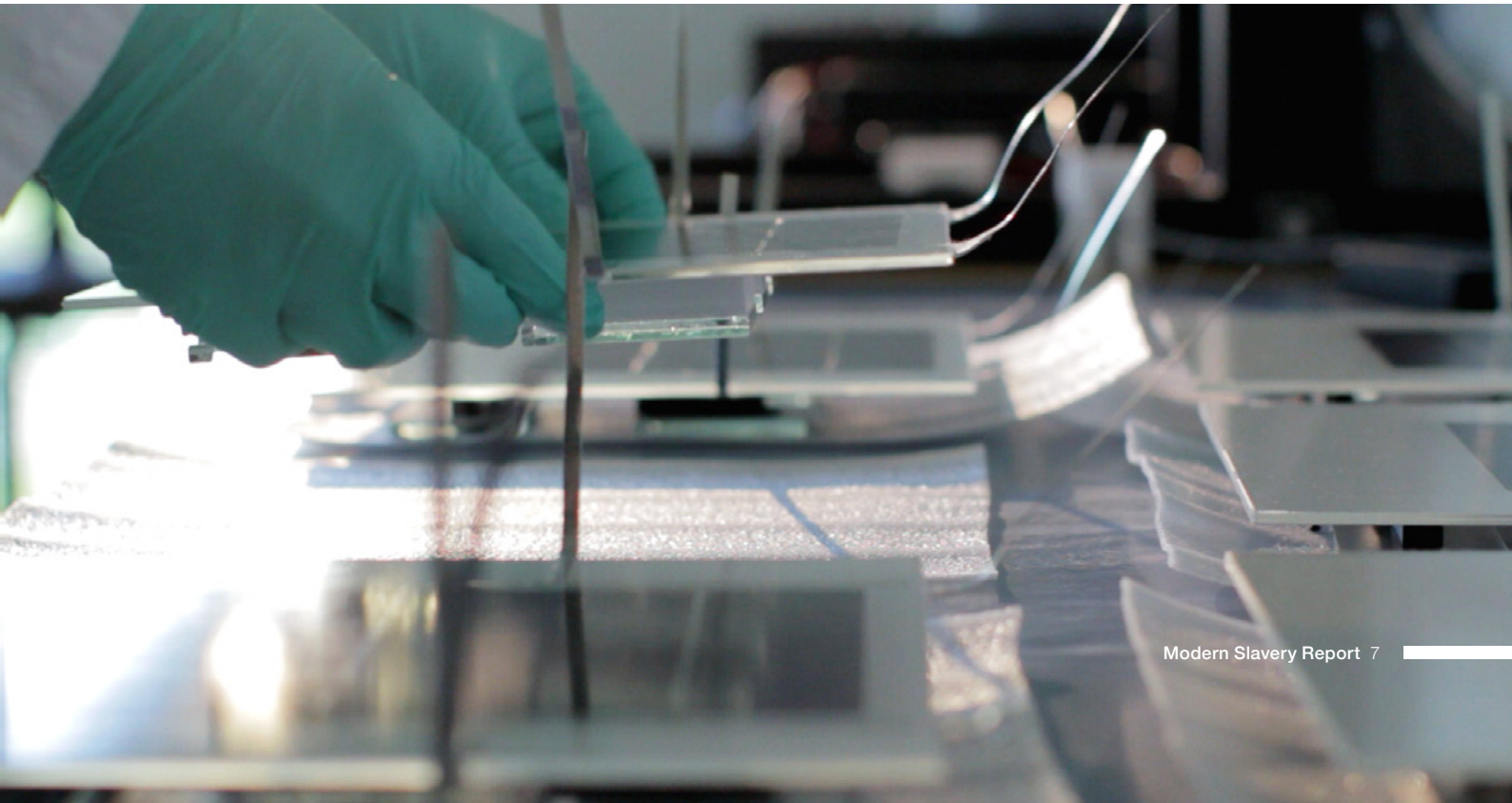
Since commencing operations in Australia in 1959, Dow Australia has built a strong reputation for operating with the highest ethical standards, honesty and fairness. The Dow values of Integrity, Respect for People and Protecting Our Planet are at the core of everything we do and form the foundation of the Dow Code of Conduct ("Code") - a framework of policies and principles that all Dow employees abide by.

The Code governs various aspects that mitigate the risks of modern slavery in our operations, including:

- Inclusion and diversity, equal opportunity, and respect in the workplace
- Labour practices and human rights
- Health and safety in the workplace

In addition to the Code, Dow ensures its compliance with all local labour, employment, immigration and whistle-blower laws of Australia. Conducting internal auditing programs ensures the effectiveness of our risk control framework and compliance with our policies.

These controls combine to help us to effectively manage the risk of modern slavery in our operations. We consider the potential for us to cause or contribute to incidents of modern slavery to be low. However, we recognise areas of vulnerability in our operations which include outsourced services such as cleaning, catering, security and facilities management and use of labour hire contractors.



Supply Chain Risks

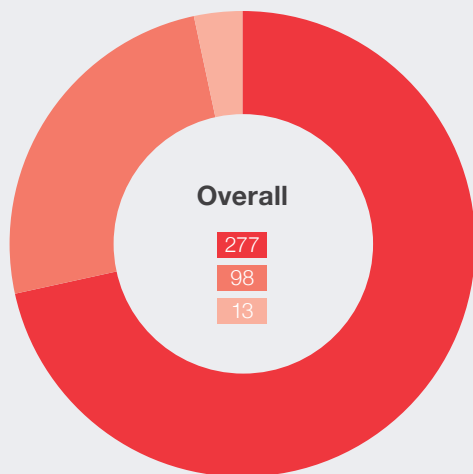
Dow maintains a diverse and extensive supply chain. To identify areas exposed to higher risk of modern slavery practices, we conducted mapping of our supply chain in FY20. The analysis included Tier One suppliers (i.e., those with whom we have a direct supply agreement) at all levels of procurement spend.

Risk was assessed across four indicator categories for all 388 external suppliers:



Number of Suppliers

■ Low Risk ■ Medium Risk ■ High Risk



Our analysis of the individual risk factors showed a low geographic risk, as the majority (89 per cent) of our external Tier One suppliers are based in Australia, which is considered to be a low-risk country for modern slavery. Higher risk was identified in the sector & industry and supply chain model indicator categories due to the recognition that many of our Australian suppliers have large and complex supply chains and operate in industries which may have higher risks of modern slavery. Combining these individual risk factors, a weighted assessment was used to determine an overall risk rating, resulting in 13 of our 388 suppliers being identified as potentially high-risk and requiring further engagement and follow-up to assess the risk.

Identified sectors and industries of high risk include:



Cleaning



Electrical equipment suppliers



Catering and food suppliers



IT and tele-communications

Noting the risk mapping outlined above was only conducted on Tier One external suppliers, it is recognised that a significant proportion of our supply chain spend is attributed to internal procurement from other overseas Dow manufacturing sites.

While the risk of modern slavery in our operations, both locally and globally, is considered low, we acknowledge the supply chains servicing our overseas operations also need to be considered. This is particularly true when it comes to our operations in high-risk countries.





(Criteria 4) Actions Taken to Assess and Address Risk

Supply Chain Mapping

In FY20, we conducted detailed mapping and risk analysis for our full Tier One supplier list. This identified several high-risk areas within our supply chain, and will form the basis for a more focused, in-depth analysis as part of our future action plan.

Dow's Relevant Policies

Dow has a commitment to ensuring there is no modern slavery or human trafficking in our supply chains or in any part of our business. Through policies such as Dow's [Code of Conduct](#), [Human Rights Policy](#), [Supplier Code of Conduct](#) and [Expectations of Suppliers Statement](#), stringent mechanisms are in place to provide the framework of the expectations of Dow employees and suppliers and the enforcement of such expectations.

Dow's Due Diligence Processes for Slavery and Human Trafficking

Suppliers:

Dow's [Supplier Code of Conduct \(SCC\)](#) and [Expectations of Suppliers Statement](#) specifically address Dow's due diligence processes for slavery and human trafficking. The SCC is communicated to all current and new direct suppliers and the majority of our purchase orders and contract templates include compliance as a contractual requirement.

Dow expects suppliers to implement systems and controls to promote compliance with applicable laws and the principles set forth in the SCC, including policies, training, monitoring and auditing mechanisms.

Dow expects that suppliers also apply these or similar principles to subcontractors and suppliers they work with when providing goods and services to Dow. Dow reserves the right to assess and monitor suppliers' compliance with the SCC, and those who are not compliant are expected to implement corrective actions or risk termination of their business relationship with Dow and/or not being considered for future business.

Dow audits significant direct suppliers according to Dow's business requirements. Dow has commenced evaluating whether to require compliance certifications, self-assessments and/or compliance audits.

A helpline (phone and web-based available in multiple languages) is available to employees and third parties to seek guidance on specific situations or anonymously report violations of the Code, including our Human Rights Policy and the SCC or other unethical business practices.

The outcomes of our programs are generally communicated via our annual Sustainability Report.

Employees:

The principles of human rights are woven throughout Dow's Code of Conduct.

All employees of Dow and its subsidiaries, including those with direct responsibility for supply chain management, are expected to know their obligations pursuant to - and abide by - this Code.

Rigorous training on the content and application of the Code is mandatory for every employee, and each employee must periodically acknowledge they have read and agree to comply with the Code. Dow takes all potential legal or Code violations seriously, fully investigates violations in a respectful, confidential and fair manner, and Dow takes action that is consistent with the severity of the violation.

Other Actions Taken

Dow's supply chain consists of more than 10,000 active suppliers around the world and is managed by Dow's Procurement group which operates as a single global function, structured across all business lines.

In FY20, Dow created a Global Purchasing Sustainability Team tasked with developing a

strategic framework for the adoption and integration of sustainability principles into procurement processes and decisions. These principles cover not only environmental sustainability, but also economic and social sustainability. The issue of how Dow assesses and addresses human rights and modern slavery concerns in Dow's procurement processes will form a key part of this group's mandate.

(Criteria 5)

Effectiveness Assessment

As part of Dow's sustainability reporting requirements, Dow will conduct regular reviews of our modern slavery risk management action plan and due diligence processes.

In addition to internal reviews, Dow measures its sustainability performance through the Dow Jones Sustainability Indices and EcoVadis. These combined reviews will form the basis of how Dow assesses and monitors the effectiveness of Dow's actions towards combating modern slavery in its operations and supply chain.

Dow Jones Sustainability Indices

The Dow Jones Sustainability Indices (DJSI), launched in 1999, evaluate the sustainability performance of thousands of publicly-traded companies. They are the longest-running global sustainability benchmarks worldwide and have become the key reference point in sustainability investing for investors and companies alike. The DJSI is based on an analysis of corporate economic, environmental and social performance. It assesses issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labour practices and human rights.

To be incorporated in the DJSI, companies are assessed and selected based on their long-term economic, social and environmental asset management plans. Selection criteria evolve each year and companies must continue to make improvements to their long term sustainability plans in order to remain on the Index. In 2020, Dow was again listed in the DJSI, marking 21 years of Dow achieving this prestigious ranking.

EcoVadis

Dow is a Supplier Member on the third-party supply chain sustainability platform EcoVadis. This platform specialises in improving sustainability practices within supply chains across industries.

Through assessing suppliers on their full management system via a document audit, EcoVadis carries out assessments on policies, actions and results related to the environment, labour practices and human rights, fair business practices and sustainable procurement issues.

In FY20, Dow was awarded silver status by EcoVadis, placing Dow in the top 11 per cent of companies assessed.



Path Forward

For FY21, Dow Australia's action plan will focus on:


Reviewing and auditing our identified high-risk Tier One suppliers

Extending supply chain mapping to Tier Two suppliers for high-risk categories

Reviewing and updating our procurement policies and processes through our Global Purchasing Sustainability Team

Defining quantitative indicators that will be used to assess and the effectiveness of our modern slavery risk management processes





(Criteria 6) **Process of Consultation with Owned or controlled Entities**

Dow's operations in Australia are covered predominately by the two proprietary limited companies covered in this report – Dow Chemical (Australia) Pty Ltd, and Dow Performance Materials (Australia) Pty Ltd. Neither of these companies owns or has a controlling interest in any other entities.

While Dow Australia represent two separate legal entities, in essence they operate as a single entity servicing the same markets with different product chemistries. Both companies have the same governing policies and systems and share the same executive management. The nature of the relationship between the two reporting entities has meant that the compilation of this statement - and the initiatives described herein combating Modern Slavery - have been made in joint consultation.



This statement has been approved by the Boards of Directors of Dow Chemical (Australia) Pty Ltd and Dow Performance Materials (Australia) Pty Ltd, and is hereby signed by a member of each Board.

Karen Dobson

Director
Dow Chemical (Australia) Pty Ltd
22nd June 2021

Justin Jones

Director
Dow Performance Materials (Australia) Pty Ltd
22nd June 2021