



2021 Joint Modern Slavery Statement

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

CONTENTS

Introduction	2
Reporting Entities	2
Our Organisation	2
<i>Structure</i>	2
<i>Operations</i>	2
<i>Supply Chains</i>	3
Relevant Policies	4
<i>Supplier Due Diligence Processes for Modern Slavery</i>	4
<i>Employee Due Diligence Processes for Modern Slavery</i>	5
Risk of Modern Slavery	5
<i>Operational Risks</i>	5
<i>Supply Chain Risks</i>	5
Actions Taken to Assess and Address Risk	6
<i>Supply Chain Deep Dive</i>	6
<i>Sustainable Procurement</i>	6
<i>Together for Sustainability</i>	6
Effectiveness Assessment	7
<i>EcoVadis</i>	7
Path Forward	7
Process of Consultation with Owned or controlled Entities	8

Dow Chemical (Australia) Pty Ltd and Dow Performance Materials (Australia) Pty Ltd (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 2021. 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.

INTRODUCTION

As a global leader in the chemical industry, the Dow group of companies (“**Dow**”, “**it**”, “**its**”, “**we**” or “**our**”) strives to uphold the protection of human rights. 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 in our supply chains as a key priority.

Dow - 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.

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)
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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 does 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 104 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

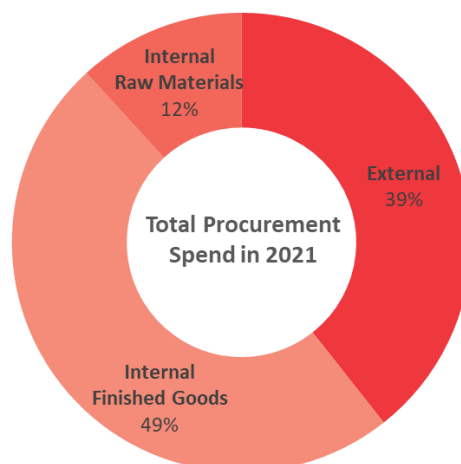
Dow Australia’s operations encompass all of Dow’s global business units, providing specialty chemicals, industrial intermediates and plastics to our Australian customers through a combination of local manufacturing and importing of our overseas produced product lines.

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

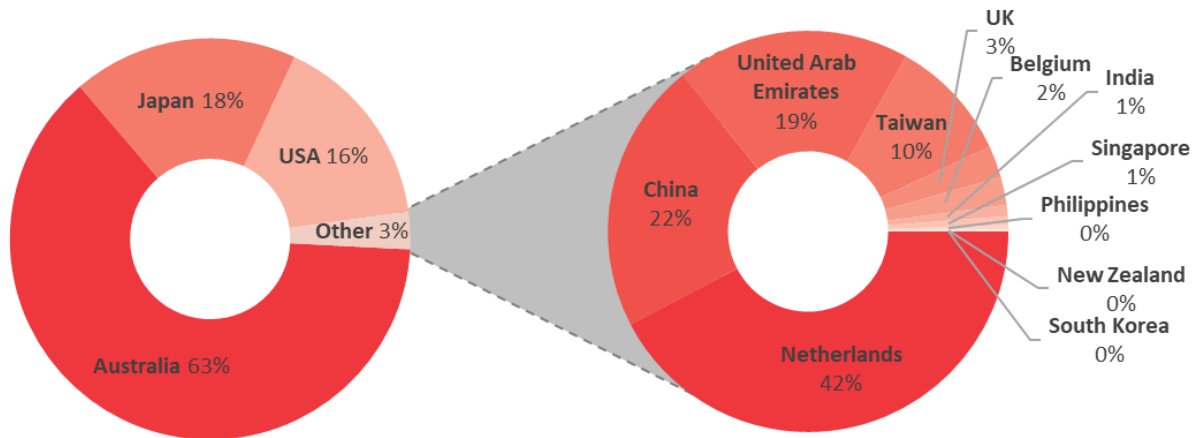
We are a proud local manufacturer, and we import a range of specialty chemicals and products. Our direct supply chain procurement consists primarily of raw materials, energy and utilities, maintenance and capital, logistics, transportation and warehousing, specialist consultancies, labour, and corporate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

Internally procured materials is the largest category of our supply chain spend. In 2021, this represented 61 per cent of our procurement spend, consisting of finished goods from our overseas manufacturing sites for resale to our local customers (49 per cent) and raw materials for our local manufacturing operations (12 per cent). The remaining 39 per cent of our procurement spend is through external suppliers.



In 2021, we purchased goods and services from 375 external suppliers. The majority of these suppliers were located in Australia and represented 63 per cent of our external supplier spend. Procurement from overseas suppliers was spread over 13 different countries, but largely focused on Japan and the US.

External Procurement by Country in 2021



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](#), [Responsible Sourcing: Conflict Minerals](#), [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.

SUPPLIER DUE DILIGENCE PROCESSES FOR MODERN SLAVERY

Dow’s [Supplier Code of Conduct \(SCC\)](#) and [Expectations of Suppliers Statement](#) specifically address Dow’s due diligence processes for slavery and human trafficking within our supply chains. 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.

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 [Environmental, Social and Governance \(ESG\) Report](#).

EMPLOYEE DUE DILIGENCE PROCESSES FOR MODERN SLAVERY

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.

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 a detailed mapping and risk assessment of our supply chain as detailed in our 2020 Modern Slavery Report. This risk matrix has been updated with our 2021 supplier database to include any new suppliers we have engaged since the original mapping. The analysis included Tier One suppliers (i.e., those with whom we have a direct supply agreement) at all levels of procurement spend.

Our analysis showed that while the majority of our supply chain is considered low risk for modern slavery, we do utilise a small number of suppliers that were identified as operating in potentially high-risk industry sectors, including:

- Cleaning
- Electrical equipment suppliers
- Catering and food suppliers
- IT and telecommunications

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. To this end, we have begun identifying areas of high risk that reside deeper within our global supply chains.

One such identified risk is in the supply of raw materials used in our overseas manufacturing processes being derived from the mining of Conflict Minerals.

ACTIONS TAKEN TO ASSESS AND ADDRESS RISK

In addition to applying our due diligence procedures outlined in the *Relevant Policies* section of this report, we implemented several key pieces of work in 2021 to further update our actions in assessing and addressing the risks of modern slavery in our supply chains.

SUPPLY CHAIN DEEP DIVE

Building off the mapping and risk analysis that was conducted for Tier One suppliers list in 2020, this year we have begun to identify areas of high risk that reside deeper within our global supply chains.

One such identified risk is in the supply of raw materials used in our overseas manufacturing processes being derived from the mining of Conflict Minerals. To address this, Dow conducts an annual reasonable country of origin inquiry, and due diligence as appropriate, with regard to raw materials containing Conflict Minerals that are “necessary to the functionality or production” of products manufactured, or contracted to be manufactured, by Dow.

SUSTAINABLE PROCUREMENT

During the reporting period, Dow launched an initiative for sustainable procurement which integrates the Company’s environmental, social and governance (“ESG”) priorities in the supply chain. The issue of how Dow assesses and addresses human rights and modern slavery concerns in our procurement processes will form a key part of this sustainable procurement strategy.

The initiative included a review of the Company’s expectations for suppliers. In 2022, the Company plans to publish an update to the Supplier Code of Business Conduct that more clearly defines expectations for suppliers as well as best practices that align with the Company’s ESG priorities.

TOGETHER FOR SUSTAINABILITY

Dow has joined Together for Sustainability (TfS), a group that allows us to collaborate within the chemical sector around supply chain issues. Through this partnership, we are now beginning to request EcoVadis ratings from suppliers. Further, we are working with EcoVadis to do a deep dive in our supplier base to better understand for which materials, regions, and suppliers different ESG risks

(like modern slavery) could be occurring – and we will use that as a guide to request these suppliers to report to EcoVadis and potentially be audited via the TfS joint audit process.

EFFECTIVENESS ASSESSMENT

As part of Dow’s ESG reporting commitments, 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 third-party assessment programs such as EcoVadis. These reviews 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.

ECOVDADIS

Dow is a Supplier Member on the third-party supply chain sustainability platform EcoVadis since 2014. 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.

As a supplier, Dow has completed a questionnaire-based assessment, the contents of which have been analysed by EcoVadis and a scorecard produced which can be shared with our customers via the EcoVadis platform.

In 2021, Dow was awarded silver status by EcoVadis, placing Dow in the top 22 per cent of all companies assessed. In the category of sustainable procurement, Dow is in the Top 2% of companies rated in the “Manufacture of other chemical products n.e.c industry” in EcoVadis.

PATH FORWARD

For 2022, Dow Australia’s action plan will focus on:

- Reviewing and updating our procurement policies and processes through our Global Purchasing Sustainability Team, including the updating of our Supplier Code of Business Conduct to more clearly define expectations for suppliers as well as best practices that align with the Company’s ESG priorities.
- Deep diving into our supplier base to better understand for which materials, regions, and suppliers different ESG risks (like modern slavery) could be occurring and using this as a guide to request these suppliers to report to EcoVadis and potentially be audited via the TfS joint audit process.
- Reviewing Dow’s 2021 EcoVadis report and implementing changes where areas of improvement are identified for addressing modern slavery issues in our supply chains.

PROCESS OF CONSULTATION WITH OWNED OR CONTROLLED ENTITIES

Dow's operations in Australia are covered 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
Managing Director
Dow Chemical (Australia) Pty Ltd
28th June 2022



Justin Jones
Managing Director
Dow Performance Materials (Australia) Pty Ltd
28th June 2022