



Forced Labour in Canadian Supply Chains Annual Report

2023 Joint Report for Entities:

Dow Chemical Canada ULC

DOW Canada Material Sciences ULC

Dow Europe GMBH

Prepared May 8, 2024

Questions marked with an asterisk (*) are mandatory.

1. *This report is for which of the following? (Required)

- Entity
- Government institution

2. *Legal name of reporting entity or government institution (Required)

Dow Chemical Canada ULC

3. *Financial reporting year (Required)

January 1, 2023 – December 31, 2023

4. *Is this a revised version of a report already submitted this reporting year? (Required)

- Yes
- No

5. For entities only: Business number(s) (if applicable):

Dow Chemical Canada ULC

BN# 10147 4419 RM0001

6. For entities only: *Is this a joint report? (Required)

- Yes



- No

6.1 *If yes, identify the legal name of each entity covered by this report. (Required)

Dow Chemical Canada ULC

DOW Canada Material Sciences ULC

Dow Europe GMBH

6.2 Identify the business number(s) of each entity covered by this report (if applicable).

Dow Chemical Canada ULC BN# 10147 4419 RM0001

DOW Canada Material Sciences ULC BN# 85209 4895 RT0001/RC0001/RM0001

Dow Europe GMBH BN# 88463 6515 RM0001 (Non-Resident Importer and Exporter)

7. For entities only: *Is the entity also subject to reporting requirements under supply chain legislation in another jurisdiction? (Required)

- Yes
- **No**

8. For entities only: *Which of the following categorizations applies to the entity? Select all that apply. (Required)

- Listed on a stock exchange in Canada
- Canadian business presence (select all that apply):
 - Has a place of business in Canada
 - Does business in Canada
 - Has assets in Canada
- Meets size-related thresholds (select all that apply):
 - Has at least \$20 million in assets for at least one of its two most recent financial years
 - Has generated at least \$40 million in revenue for at least one of its two most recent financial years
 - Employs an average of at least 250 employees for at least one of its two most recent financial years

9. For entities only: *Which of the following sectors or industries does the entity operate in? Select all that apply. (Required)



- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- **Manufacturing**
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- Other, please specify:

10. For entities only: *In which country is the entity headquartered or principally located? (Required)

Canada

10.1 If in Canada: *In which province or territory is the entity headquartered or principally located? (Required)

Alberta

11. For government institutions only: *Is this a report for a federal Crown corporation or a subsidiary of a federal Crown corporation? (Required)

- Yes
- **No**

Annual Report

Reporting for entities



1. *What steps has the entity taken in the previous financial year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the entity or of goods imported into Canada by the entity? Select all that apply. (Required)

- Mapping activities
- Mapping supply chains
- Conducting an internal assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Contracting an external assessment of risks of forced labour and/or child labour in the organization's activities and supply chains
- Developing and implementing an action plan for addressing forced labour and/or child labour
- Gathering information on worker recruitment and maintaining internal controls to ensure that all workers are recruited voluntarily
- Addressing practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour
- Developing and implementing due diligence policies and processes for identifying, addressing and prohibiting the use of forced labour and/or child labour in the organization's activities and supply chains
- Carrying out a prioritization exercise to focus due diligence efforts on the most severe risks of forced and child labour
- Requiring suppliers to have in place policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains
- Developing and implementing child protection policies and processes
- Developing and implementing anti-forced labour and/or -child labour contractual clauses
- Developing and implementing anti-forced labour and/or -child labour standards, codes of conduct and/or compliance checklists
- Auditing suppliers
- Monitoring suppliers
- Enacting measures to provide for, or cooperate in, remediation of forced labour and/or child labour
- Developing and implementing grievance mechanisms
- Developing and implementing training and awareness materials on forced labour and/or child labour
- Developing and implementing procedures to track performance in addressing forced labour and/or child labour
- Engaging with supply chain partners on the issue of addressing forced labour and/or child labour
- Engaging with civil society groups, experts and other stakeholders on the issue of addressing forced labour and/or child labour
- Engaging directly with workers and families potentially affected by forced labour and/or child labour to assess and address risks
- Information not available for this reporting period
- Other, please specify:



2. Please provide additional information describing the steps taken (if applicable) (1,500 character limit).

Historically, Dow has conducted an annual comprehensive risk assessment of forced labor in its global supply chain and has invested in upgrading these capabilities with the Altana Atlas platform. Altana has built and trained AI models to connect 450M companies and 2.5B shipments into a living map, which updates as shipment patterns, trade lanes, and corporate ownership structures evolve. The Altana Atlas is powered by a federated data model which enables enterprises, logistics providers, and governments to share intelligence without sharing data and has built the world's only dynamic, intelligent, multi-tiered map of the global supply chain. After identifying the Tier 1 facilities and locations, Altana automatically builds a value chain network across multiple tiers based on the flow of goods from upstream to downstream tiers, as identified through observed transactions between facilities. This is done using a combination of Machine Learning and AI input-output models to estimate which upstream transactions are relevant to downstream facility outputs, based inputs provided by Dow. Altana then screens this value chain against 140+ restricted parties lists and works with Dow to further refine and explore the fidelity of value chains.

Through Dow's utilization of the Atlas, we can demonstrate best in class due diligence, effective supply chain tracing, and supply chain management measures to ensure that we do not import any goods made, in whole or in part, with forced labor.

3. *Which of the following accurately describes the entity's structure? (Required)

- Corporation
- Trust
- Partnership
- Other unincorporated organization

4. *Which of the following accurately describes the entity's activities? Select all that apply. (Required)

- Producing goods (including manufacturing, extracting, growing and processing)
 - in Canada
 - outside Canada
- Selling goods
 - in Canada
 - outside Canada
- Distributing goods
 - in Canada
 - outside Canada
- Importing into Canada goods produced outside Canada
- Controlling an entity engaged in producing goods in Canada or outside Canada, or importing into Canada goods produced outside Canada



5. Please provide additional information on the entity's structure, activities and supply chains (1,500 character limit).

Headquartered in Calgary, Alberta, Dow has four manufacturing locations: Fort Saskatchewan and Prentiss sites in Alberta and West Hill and St. Clair River sites in Ontario and employees approximately 850 people. Dow produces polyethylene in the Alberta sites and the St. Clair River site modifies polyethylene and polypropylene. Both polyethylene and polypropylene products are used to make a broad range of products in the packaging, industrial and infrastructure, and consumer care industries. At the West Hill location, Dow manufactures water-based emulsions, which go into a variety of products, the biggest being latex paint.

We have three operating entities in Canada. Dow Chemical Canada ULC and Dow Canada Material Sciences ULC both own and operate sites across Canada, the chain of ownership of each is as follows:

- Dow Chemical Canada ULC is owned 100% by Dow Canada Holding ULC and Dow Canada Holding ULC is owned 100% by The Dow Chemical Company; and
- Dow Canada Material Sciences ULC is owned 100% by Dow Chemical Canada ULC which is owned 100% by Dow Canada Holding ULC and Dow Canada Holding ULC is owned 100% by The Dow Chemical Company.

Dow Europe GMBH operates in Canada as a Non-Resident Importer and Exporter and is also owned 100% by The Dow Chemical Company. For the purposes of this report, Dow Chemical Canada ULC is filing a joint report on its behalf as well as on behalf of the other wholly owned affiliates of The Dow Chemical Company that meet the reporting requirements.

6. *Does the entity currently have policies and due diligence processes in place related to forced labour and/or child labour? (Required)

- Yes
- No

6.1 *If yes, which of the following elements of the due diligence process has the entity implemented in relation to forced labour and/or child labour? Select all that apply. (Required)

- Embedding responsible business conduct into policies and management systems
- Identifying and assessing adverse impacts in operations, supply chains and business relationships
- Ceasing, preventing or mitigating adverse impacts
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing for or cooperating in remediation when appropriate



7. Please provide additional information on the entity’s policies and due diligence processes in relation to forced labour and child labour (if applicable) (1,500 character limit).

As stated in Dow’s Code of Conduct, the company and all its majority-owned subsidiaries must conduct business “in compliance with all applicable export control restrictions, economic sanctions, customs requirements and other trade controls wherever we do business.” The Dow Code of Conduct recognizes that respect for the dignity, rights and aspirations of all people is a cornerstone of our business excellence. We positively impact the reduction of unlawful labor through compliance with all labor laws. We hold suppliers and service providers accountable to the same standards on human rights. Accountability is ensured through Dow’s Code of Business Conduct for Suppliers and active engagement. We recognize and respect all applicable labor and employment laws—including those addressing freedom of association, privacy and equal employment opportunity—wherever we operate.

Dow also utilizes forced labor lists from Kharon that are integrated into an SAP bolt-on called Global Trade Systems (GTS), that automates several compliance checks, so every transaction and partner is properly screened, inclusive of parties with indicators of use of forced labor. All records are screened in accordance with Dow’s GTS configuration as new parties are added to the list or new suppliers are added to our SAP system. A block and alert are sent to a Dow functional mailbox where it is reviewed and escalated to the North American ITO team.

8. *Has the entity identified parts of its activities and supply chains that carry a risk of forced labour or child labour being used? (Required)

- Yes, we have identified risks to the best of our knowledge and will continue to strive to identify emerging risks.
- Yes, we have started the process of identifying risks, but there are still gaps in our assessments.
- No, we have not started the process of identifying risks.

8.1 *If yes, has the entity identified forced labour or child labour risks related to any of the following aspects of its activities and supply chains? Select all that apply. (Required)

- The sector or industry it operates in
- The types of products it produces, purchases or distributes
- The locations of its activities, operations or factories
- The types of products it sources
- The raw materials or commodities used in its supply chains
- Tier one (direct) suppliers
- Tier two suppliers
- Tier three suppliers
- Suppliers further down the supply chain than tier three
- The use of outsourced, contracted or subcontracted labour
- The use of migrant labour
- The use of forced labour



- The use of child labour
- None of the above
- Other, please specify

9. *Has the entity identified forced labour or child labour risks in its activities and supply chains related to any of the following sectors and industries? Select all that apply. (Required)

- Agriculture, forestry, fishing and hunting
- Mining, quarrying, and oil and gas extraction
- Utilities
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information and cultural industries
- Finance and insurance
- Real estate and rental and leasing
- Professional, scientific and technical services
- Management of companies and enterprises
- Administrative and support, waste management and remediation services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Accommodation and food services
- Other services (except public administration)
- Public administration
- None of the above
- Other, please specify

10. Please provide additional information on the parts of the entity's activities and supply chains that carry a risk of forced labour or child labour being used, as well as the steps that the entity has taken to assess and manage that risk (if applicable) (1,500 character limit).

Through all of Dow's due diligence efforts, including our Corporate and Supplier Codes of Conduct, our anonymous misconduct reporting, our annual supplier screening and surveying, our living comprehensive supply chain mapping through the Altana Atlas platform, and our every transaction and partner screening performed by GTS we have not identified any evidence of forced labour or child labour in any of our Canadian businesses or supply chains.

11. *Has the entity taken any measures to remediate any forced labour or child labour in its activities and supply chains? (Required)



- Yes, we have taken remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any forced labour or child labour in our activities and supply chains.

12. Please provide additional information on any measures the entity has taken to remediate any forced labour or child labour (if applicable) (1,500 character limit).

Indications of risk of forced labor in a supply chain through the internal controls laid out previously or external allegations are directed to be escalated to the supply chain due diligence team. An investigation of the concerns will be conducted. If it is determined that there are indicators of force labor in a supply chain, then the supplier will be contacted and requested to address the issues identified. Restriction of purchases will occur until proof of corrections/remediation are in place related to the identified concerns.

13. *Has the entity taken any measures to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains? (Required)

- Yes, we have taken substantial remediation measures and will continue to identify and address any gaps in our response.
- Yes, we have taken some remediation measures, but there are gaps in our response that still need to be addressed.
- No, we have not taken any remediation measures.
- Not applicable, we have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

14. Please provide additional information on any measures the entity has taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains (if applicable) (1,500 character limit).

Not applicable as Dow has found no evidence of forced labour of child labour in our businesses or supply chains.

15. *Does the entity currently provide training to employees on forced labour and/or child labour? (Required)

- Yes



- No

15.1 *If yes, is the training mandatory? (Required)

- Yes, the training is mandatory for all employees.
- Yes, the training is mandatory for employees making contracting or purchasing decisions.
- Yes, the training is mandatory for some employees.
- No, the training is voluntary.

16. Please provide additional information on the training the entity provides to employees on forced labour and child labour (if applicable). (1,500 character limit).

Dow's Code of Business Conduct ("Code" or "the Code") summarizes our values and many of the ethical principles and policies to assist employees in their daily work. It serves as a reference for appropriate reactions to difficult and challenging situations. All employees are required to complete our web-based training course annually to ensure they understand how the Code applies to their jobs and where to obtain guidance for questions and concerns. This course requirement is managed by the Office of Ethics and Compliance. New employees will be required to complete it within the first 45-60 days of employment and annually thereafter.

Suppliers with acceptable internal training programs are required to share evidence of training regarding forced labor upon request. At risk suppliers that do not already have a code of conduct and training deemed to be substantially similar and acceptable to the Dow Code of Business Conduct will be directed to take forced labor training. This forced labor training is available to our suppliers through the Together for Sustainability (TfS) Academy. Monitoring of completion of training is available to Dow through this system.

17. *Does the entity currently have policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains? (Required)

- Yes
- No

17.1 *If yes, what method does the entity use to assess its effectiveness? Select all that apply. (Required)

- Setting up a regular review or audit of the organization's policies and procedures related to forced labour and child labour
- Tracking relevant performance indicators, such as levels of employee awareness, numbers of cases reported and solved through grievance mechanisms and numbers of contracts with anti-forced labour and -child labour clauses



- Partnering with an external organization to conduct an independent review or audit of the organization's actions
- Working with suppliers to measure the effectiveness of their actions to address forced labour and child labour, including by tracking relevant performance indicators
- Other, please specify.

18. Please provide additional information on how the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains (if applicable). (1,500 character limit).

Through all of Dow's due diligence efforts, including our Corporate and Supplier Codes of Conduct, our anonymous misconduct reporting, our annual supplier screening and surveying, our living comprehensive supply chain mapping through the Altana Atlas platform, and our every transaction and partner screening performed by GTS we have not identified any evidence of forced labour or child labour in any of our Canadian businesses or supply chains.

Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

A handwritten signature in blue ink, appearing to read "Diego", written over a light blue circular stamp.

Diego Alfredo Ordoñez

President, Dow Chemical Canada ULC

May 8, 2024

"I have the authority to bind Dow Chemical Canada ULC"