

REFINITIV

DELTA REPORT

10-Q

DOW - DOW INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 840

█ CHANGES 435

█ DELETIONS 191

█ ADDITIONS 214

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

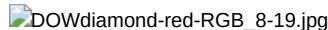
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June September 30, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____



<u>Commission File Number</u>	<u>Exact Name of Registrant as Specified in its Charter, Principal Office Address and Telephone Number</u>	<u>State of Incorporation or Organization</u>	<u>I.R.S. Employer Identification No.</u>
001-38646	Dow Inc. 2211 H.H. Dow Way, Midland, MI 48674 (989) 636-1000	Delaware	30-1128146
001-03433	The Dow Chemical Company 2211 H.H. Dow Way, Midland, MI 48674 (989) 636-1000	Delaware	38-1285128

Securities registered pursuant to Section 12(b) of the Act:

<u>Registrant</u>	<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Dow Inc.	Common Stock, par value \$0.01 per share	DOW	New York Stock Exchange
The Dow Chemical Company	0.5000% Notes due March 15, 2027	DOW/27	New York Stock Exchange
The Dow Chemical Company	1.1250% Notes due March 15, 2032	DOW/32	New York Stock Exchange
The Dow Chemical Company	1.8750% Notes due March 15, 2040	DOW/40	New York Stock Exchange
The Dow Chemical Company	4.6250% Notes due October 1, 2044	DOW/44	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Dow Inc.

Yes

No

The Dow Chemical Company

Yes

No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Dow Inc.

Yes

No

The Dow Chemical Company

Yes

No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

		Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
Dow Inc.	Large accelerated filer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The Dow Chemical Company	Large accelerated filer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Dow Inc.

The Dow Chemical Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Dow Inc.

Yes

No

The Dow Chemical Company

Yes

No

Dow Inc. had **700,921,028** **700,091,690** shares of common stock, \$0.01 par value, outstanding at **June 30, 2024** **September 30, 2024**. The Dow Chemical Company had 100 shares of common stock, \$0.01 par value, outstanding at **June 30, 2024** **September 30, 2024**, all of which were held by the registrant's parent, Dow Inc.

The Dow Chemical Company meets the conditions set forth in General Instruction H(1)(a) and (b) for Form 10-Q and therefore is filing this form with a reduced disclosure format.

Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries

QUARTERLY REPORT ON FORM 10-Q
For the quarterly period ended **June 30, 2024** **September 30, 2024**

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Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries

This Quarterly Report on Form 10-Q is a combined report being filed by Dow Inc. and The Dow Chemical Company and its consolidated subsidiaries ("TDCC" and together with Dow Inc., "Dow" or the "Company") due to the parent/subsidiary relationship between Dow Inc. and TDCC. The information reflected in the report is equally applicable to both Dow Inc. and TDCC, except where otherwise noted. Each of Dow Inc. and TDCC is filing information in this report on its own behalf and neither company makes any representation to the information relating to the other company.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

Certain statements in this report 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; any global and regional economic impacts of a pandemic or other public health-related risks and events on Dow's business; any sanctions, export restrictions, supply chain disruptions or increased economic uncertainty related to the ongoing conflicts between Russia and Ukraine and in the Middle East; 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, including the completion and success of its integrated ethylene cracker and derivatives facility in Alberta, Canada; 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 public sentiment and political leadership; increased concerns about plastics in the environment and lack of a circular economy for plastics at scale; 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~~ logistics, and supply disruptions; security threats, such as acts of sabotage, terrorism or war, including the ongoing conflicts between Russia and Ukraine and in the Middle East; weather events and natural disasters; disruptions in Dow's information technology networks and systems, including the impact of cyberattacks; 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 Part II, Item 1A of this Quarterly Report on Form 10-Q and in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2023. 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 Inc. and TDCC assume 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.

Dow's website and its content are not deemed incorporated by reference into this report.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dow Inc. and Subsidiaries
Consolidated Statements of Income

	Three Months Ended				Three Months Ended				Six Months Ended		Three Months Ended		Nine Months Ended
	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023	In millions, except per share amounts (Unaudited)				Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	
In millions, except per share amounts (Unaudited)					In millions, except per share amounts (Unaudited)								
Net sales													
Cost of sales													

Research and development expenses
Selling, general and administrative expenses
Amortization of intangibles
Restructuring and asset related charges - net
Equity in earnings (losses) of nonconsolidated affiliates
Sundry income (expense) - net
Interest income
Interest expense and amortization of debt discount
Income before income taxes
Provision for income taxes
Net income
Net income attributable to noncontrolling interests
Net income available for Dow Inc. common stockholders
Per common share data:
Per common share data:
Per common share data:
Earnings per common share - basic
Earnings per common share - basic
Earnings per common share - basic
Earnings per common share - diluted
Weighted-average common shares outstanding - basic
Weighted-average common shares outstanding - basic
Weighted-average common shares outstanding - basic
Weighted-average common shares outstanding - diluted
Depreciation
Depreciation
Depreciation
Capital expenditures

See Notes to the Consolidated Financial Statements.

Dow Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income

	In millions (Unaudited)		Three Months Ended		Six Months Ended		In millions (Unaudited)	Three Months Ended		Nine Months Ended	
			Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net income											
Other comprehensive income (loss), net of tax											
Unrealized gains on investments											
Unrealized gains on investments											
Unrealized gains on investments											
Unrealized gains (losses) on investments											

Unrealized gains (losses) on investments
Unrealized gains (losses) on investments
Cumulative translation adjustments
Pension and other postretirement benefit plans
Derivative instruments
Total other comprehensive income (loss)
Comprehensive income
Comprehensive income attributable to noncontrolling interests, net of tax
Comprehensive income attributable to Dow Inc.

See Notes to the Consolidated Financial Statements.

Dow Inc. and Subsidiaries
Consolidated Balance Sheets

In millions, except share amounts (Unaudited)	In millions, except share amounts (Unaudited)	Jun 30, 2024		Dec 31, 2023		In millions, except share amounts (Unaudited)	Sep 30, 2024		Dec 31, 2023	
		2024	2023	2023	2022		2022	2022	2022	2021
Assets										
Current Assets										
Current Assets										
Current Assets										
Cash and cash equivalents										
Cash and cash equivalents										
Cash and cash equivalents										
Accounts and notes receivable:										
Trade (net of allowance for doubtful receivables - 2024: \$96; 2023: \$81)										
Trade (net of allowance for doubtful receivables - 2024: \$96; 2023: \$81)										
Trade (net of allowance for doubtful receivables - 2024: \$96; 2023: \$81)										
Trade (net of allowance for doubtful receivables - 2024: \$111; 2023: \$81)										
Trade (net of allowance for doubtful receivables - 2024: \$111; 2023: \$81)										
Trade (net of allowance for doubtful receivables - 2024: \$111; 2023: \$81)										
Other										
Inventories										
Other current assets										
Total current assets										
Investments										
Investment in nonconsolidated affiliates										
Investment in nonconsolidated affiliates										
Investment in nonconsolidated affiliates										
Other investments (investments carried at fair value - 2024: \$2,054; 2023: \$1,877)										
Other investments (investments carried at fair value - 2024: \$2,135; 2023: \$1,877)										
Noncurrent receivables										
Total investments										
Property										
Property										
Property										
Less: Accumulated depreciation										
Net property										
Other Assets										
Goodwill										

Goodwill	
Goodwill	
Other intangible assets (net of accumulated amortization - 2024: \$5,528; 2023: \$5,374)	
Other intangible assets (net of accumulated amortization - 2024: \$5,645; 2023: \$5,374)	
Operating lease right-of-use assets	
Deferred income tax assets	
Deferred charges and other assets	
Total other assets	
Total Assets	
Liabilities and Equity	
Current Liabilities	
Current Liabilities	
Current Liabilities	
Notes payable	
Notes payable	
Notes payable	
Long-term debt due within one year	
Accounts payable:	
Trade	
Trade	
Trade	
Other	
Operating lease liabilities - current	
Income taxes payable	
Accrued and other current liabilities	
Total current liabilities	
Long-Term Debt	
Other Noncurrent Liabilities	
Deferred income tax liabilities	
Deferred income tax liabilities	
Deferred income tax liabilities	
Pension and other postretirement benefits - noncurrent	
Asbestos-related liabilities - noncurrent	
Operating lease liabilities - noncurrent	
Other noncurrent obligations	
Total other noncurrent liabilities	
Stockholders' Equity	
Common stock (authorized 5,000,000,000 shares of \$0.01 par value each; issued 2024: 782,006,798 shares; 2023: 778,595,514 shares)	
Common stock (authorized 5,000,000,000 shares of \$0.01 par value each; issued 2024: 782,006,798 shares; 2023: 778,595,514 shares)	
Common stock (authorized 5,000,000,000 shares of \$0.01 par value each; issued 2024: 782,006,798 shares; 2023: 778,595,514 shares)	
Common stock (authorized 5,000,000,000 shares of \$0.01 par value each; issued 2024: 782,047,707 shares; 2023: 778,595,514 shares)	
Common stock (authorized 5,000,000,000 shares of \$0.01 par value each; issued 2024: 782,047,707 shares; 2023: 778,595,514 shares)	
Common stock (authorized 5,000,000,000 shares of \$0.01 par value each; issued 2024: 782,047,707 shares; 2023: 778,595,514 shares)	
Additional paid-in capital	
Retained earnings	
Accumulated other comprehensive loss	
Treasury stock at cost (2024: 81,085,770 shares; 2023: 76,302,081 shares)	
Treasury stock at cost (2024: 81,956,017 shares; 2023: 76,302,081 shares)	
Dow Inc.'s stockholders' equity	

Noncontrolling interests
Total equity
Total Liabilities and Equity

See Notes to the Consolidated Financial Statements.

Dow Inc. and Subsidiaries
Consolidated Statements of Cash Flows

	In millions (Unaudited)		Six Months Ended		In millions (Unaudited)	Nine Months Ended	
			Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023
Operating Activities							
Net income							
Net income							
Net income							
Adjustments to reconcile net income to net cash provided by operating activities:							
Depreciation and amortization							
Depreciation and amortization							
Depreciation and amortization							
Provision (credit) for deferred income tax							
Credit for deferred income tax							
Earnings of nonconsolidated affiliates less than dividends received							
Net periodic pension benefit credit							
Pension contributions							
Net gain on sales of assets, businesses and investments							
Restructuring and asset related charges - net							
Other net loss							
Changes in assets and liabilities, net of effects of acquired and divested companies:							
Accounts and notes receivable							
Accounts and notes receivable							
Accounts and notes receivable							
Inventories							
Accounts payable							
Other assets and liabilities, net							
Cash provided by operating activities - continuing operations							
Cash provided by operating activities - discontinued operations							
Cash provided by operating activities							
Investing Activities							
Capital expenditures							
Capital expenditures							
Capital expenditures							
Investment in gas field developments							
Purchases of previously leased assets							
Proceeds from sales of property, businesses and consolidated companies, net of cash divested							
Acquisitions of property and businesses, net of cash acquired							
Investments in and loans to nonconsolidated affiliates							
Distributions and loan repayments from nonconsolidated affiliates							
Proceeds from sales of ownership interests in nonconsolidated affiliates							
Purchases of investments							

Proceeds from sales and maturities of investments	
Other investing activities, net	
Other investing activities, net	
Other investing activities, net	
Cash used for investing activities	
Financing Activities	
Changes in short-term notes payable	
Changes in short-term notes payable	
Changes in short-term notes payable	
Proceeds from issuance of short-term debt greater than three months	
Proceeds from issuance of long-term debt	
Proceeds from issuance of long-term debt	
Payments on short-term debt greater than three months	
Proceeds from issuance of long-term debt	
Payments on long-term debt	
Collections on securitization programs	
Purchases of treasury stock	
Proceeds from issuance of stock	
Transaction financing, debt issuance and other costs	
Employee taxes paid for share-based payment arrangements	
Distributions to noncontrolling interests	
Dividends paid to stockholders	
Dividends paid to stockholders	
Dividends paid to stockholders	
Cash used for financing activities	
Cash used for financing activities	
Cash used for financing activities	
Effect of exchange rate changes on cash, cash equivalents and restricted cash	
Summary	
Summary	
Summary	
Increase (decrease) in cash, cash equivalents and restricted cash	
Increase (decrease) in cash, cash equivalents and restricted cash	
Increase (decrease) in cash, cash equivalents and restricted cash	
Decrease in cash, cash equivalents and restricted cash	
Decrease in cash, cash equivalents and restricted cash	
Decrease in cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash at beginning of period	
Cash, cash equivalents and restricted cash at end of period	
Less: Restricted cash and cash equivalents, included in "Other current assets"	
Cash and cash equivalents at end of period	

See Notes to the Consolidated Financial Statements.

Dow Inc. and Subsidiaries
Consolidated Statements of Equity

		Three Months Ended	Six Months Ended		Three Months Ended	Nine Months Ended
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	In millions, except per share amounts (Unaudited)	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023	In millions, except per share amounts (Unaudited)	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Common Stock										
Balance at beginning and end of period										
Balance at beginning and end of period										
Balance at beginning and end of period										
Additional Paid-in Capital										
Additional Paid-in Capital										
Additional Paid-in Capital										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Common stock issued/sold										
Stock-based compensation										
Treasury stock issuances - compensation and benefit plans										
Balance at end of period										
Balance at end of period										
Balance at end of period										
Retained Earnings										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Net income available for Dow Inc. common stockholders										
Dividends to stockholders										
Common control transaction										
Other										
Balance at end of period										
Accumulated Other Comprehensive Loss										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Other comprehensive income (loss)										
Balance at end of period										
Treasury Stock										
Treasury Stock										
Treasury Stock										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Treasury stock purchases										
Treasury stock issuances - compensation and benefit plans										
Balance at end of period										
Dow Inc.'s stockholders' equity										
Noncontrolling Interests										
Total Equity										
Dividends declared per share of common stock										
Dividends declared per share of common stock										

Dividends declared per share of common stock

See Notes to the Consolidated Financial Statements.

The Dow Chemical Company and Subsidiaries
Consolidated Statements of Income

	Three Months Ended				Three Months Ended				Six Months Ended			Three Months Ended		Nine Months Ended	
	In millions	Jun 30, 2024	Jun 30, 2024	Jun 30, 2024	Jun 30, 2023	In millions	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023			
In millions (Unaudited)	(Unaudited)					(Unaudited)									
Net sales															
Cost of sales															
Research and development expenses															
Selling, general and administrative expenses															
Amortization of intangibles															
Restructuring and asset related charges - net															
Equity in earnings (losses) of nonconsolidated affiliates															
Sundry income (expense) - net															
Interest income															
Interest expense and amortization of debt discount															
Income before income taxes															
Provision for income taxes															
Net income															
Net income attributable to noncontrolling interests															
Net income available for The Dow Chemical Company common stockholder															
Depreciation															
Depreciation															
Depreciation															
Capital expenditures															

See Notes to the Consolidated Financial Statements.

The Dow Chemical Company and Subsidiaries
Consolidated Statements of Comprehensive Income

In millions (Unaudited)															
In millions (Unaudited)															
In millions (Unaudited)															
Net income															
Net income															
Net income															
Other comprehensive income (loss), net of tax															
Other comprehensive income (loss), net of tax															
Other comprehensive income (loss), net of tax															
Unrealized gains on investments															
Unrealized gains on investments															

Unrealized gains on investments
Unrealized gains (losses) on investments
Unrealized gains (losses) on investments
Unrealized gains (losses) on investments
Cumulative translation adjustments
Cumulative translation adjustments
Cumulative translation adjustments
Pension and other postretirement benefit plans
Pension and other postretirement benefit plans
Pension and other postretirement benefit plans
Derivative instruments
Derivative instruments
Derivative instruments
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Comprehensive income
Comprehensive income
Comprehensive income
Comprehensive income attributable to noncontrolling interests, net of tax
Comprehensive income attributable to noncontrolling interests, net of tax
Comprehensive income attributable to noncontrolling interests, net of tax
Comprehensive income attributable to The Dow Chemical Company
Comprehensive income attributable to The Dow Chemical Company
Comprehensive income attributable to The Dow Chemical Company

See Notes to the Consolidated Financial Statements.

The Dow Chemical Company and Subsidiaries
Consolidated Balance Sheets

In millions, except share amounts (Unaudited)	In millions, except share amounts (Unaudited)	Jun 30, 2024	Dec 31, 2023	In millions, except share amounts (Unaudited)	Sep 30, 2024	Dec 31, 2023
Assets						
Current Assets						
Current Assets						
Current Assets						
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents						
Accounts and notes receivable:						
Accounts and notes receivable:						
Accounts and notes receivable:						
Trade (net of allowance for doubtful receivables - 2024: \$96; 2023: \$81)						
Trade (net of allowance for doubtful receivables - 2024: \$96; 2023: \$81)						
Trade (net of allowance for doubtful receivables - 2024: \$96; 2023: \$81)						
Trade (net of allowance for doubtful receivables - 2024: \$111; 2023: \$81)						
Trade (net of allowance for doubtful receivables - 2024: \$111; 2023: \$81)						
Trade (net of allowance for doubtful receivables - 2024: \$111; 2023: \$81)						
Other						
Inventories						

Other current assets
Total current assets
Investments
Investment in nonconsolidated affiliates
Investment in nonconsolidated affiliates
Investment in nonconsolidated affiliates
Other investments (investments carried at fair value - 2024: \$2,054; 2023: \$1,877)
Other investments (investments carried at fair value - 2024: \$2,135; 2023: \$1,877)
Noncurrent receivables
Total investments
Property
Property
Property
Property
Less accumulated depreciation
Net property
Other Assets
Goodwill
Goodwill
Goodwill
Other intangible assets (net of accumulated amortization - 2024: \$5,528; 2023: \$5,374)
Other intangible assets (net of accumulated amortization - 2024: \$5,645; 2023: \$5,374)
Operating lease right-of-use assets
Deferred income tax assets
Deferred charges and other assets
Total other assets
Total Assets
Liabilities and Equity
Current Liabilities
Current Liabilities
Current Liabilities
Notes payable
Notes payable
Notes payable
Long-term debt due within one year
Accounts payable:
Trade
Trade
Trade
Other
Operating lease liabilities - current
Income taxes payable
Accrued and other current liabilities
Accrued and other current liabilities
Accrued and other current liabilities
Total current liabilities
Long-Term Debt
Other Noncurrent Liabilities
Deferred income tax liabilities
Deferred income tax liabilities
Deferred income tax liabilities

Pension and other postretirement benefits - noncurrent
Asbestos-related liabilities - noncurrent
Operating lease liabilities - noncurrent
Other noncurrent obligations
Total other noncurrent liabilities
Stockholder's Equity
Common stock (authorized and issued 100 shares of \$0.01 par value each)
Common stock (authorized and issued 100 shares of \$0.01 par value each)
Common stock (authorized and issued 100 shares of \$0.01 par value each)
Additional paid-in capital
Retained earnings
Accumulated other comprehensive loss
The Dow Chemical Company's stockholder's equity
The Dow Chemical Company's stockholder's equity
The Dow Chemical Company's stockholder's equity
Noncontrolling interests
Total equity
Total Liabilities and Equity

See Notes to the Consolidated Financial Statements.

The Dow Chemical Company and Subsidiaries
Consolidated Statements of Cash Flows

In millions (Unaudited)		Six Months Ended		In millions (Unaudited)	Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023
Operating Activities						
Net income						
Net income						
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization						
Depreciation and amortization						
Depreciation and amortization						
Provision (credit) for deferred income tax						
Credit for deferred income tax						
Earnings of nonconsolidated affiliates less than dividends received						
Net periodic pension benefit credit						
Pension contributions						
Net gain on sales of assets, businesses and investments						
Restructuring and asset related charges - net						
Other net loss						
Changes in assets and liabilities, net of effects of acquired and divested companies:						
Accounts and notes receivable						
Accounts and notes receivable						
Accounts and notes receivable						
Inventories						
Accounts payable						
Other assets and liabilities, net						
Cash provided by operating activities						

Investing Activities
Capital expenditures
Capital expenditures
Capital expenditures
Investment in gas field developments
Purchases of previously leased assets
Proceeds from sales of property, businesses and consolidated companies, net of cash divested
Acquisitions of property and businesses, net of cash acquired
Investments in and loans to nonconsolidated affiliates
Distributions and loan repayments from nonconsolidated affiliates
Proceeds from sales of ownership interests in nonconsolidated affiliates
Purchases of investments
Proceeds from sales and maturities of investments
Other investing activities, net
Cash used for investing activities
Financing Activities
Changes in short-term notes payable
Changes in short-term notes payable
Changes in short-term notes payable
Proceeds from issuance of short-term debt greater than three months
Payments on short-term debt greater than three months
Proceeds from issuance of long-term debt
Proceeds from issuance of long-term debt
Proceeds from issuance of long-term debt
Payments on long-term debt
Collections on securitization programs
Proceeds from issuance of stock
Transaction financing, debt issuance and other costs
Employee taxes paid for share-based payment arrangements
Distributions to noncontrolling interests
Dividends paid to Dow Inc.
Dividends paid to Dow Inc.
Dividends paid to Dow Inc.
Cash used for financing activities
Cash used for financing activities
Cash used for financing activities
Effect of exchange rate changes on cash, cash equivalents and restricted cash
Summary
Summary
Summary
Increase (decrease) in cash, cash equivalents and restricted cash
Increase (decrease) in cash, cash equivalents and restricted cash
Increase (decrease) in cash, cash equivalents and restricted cash
Decrease in cash, cash equivalents and restricted cash
Decrease in cash, cash equivalents and restricted cash
Decrease in cash, cash equivalents and restricted cash
Cash, cash equivalents and restricted cash at beginning of period
Cash, cash equivalents and restricted cash at end of period
Less: Restricted cash and cash equivalents, included in "Other current assets"
Cash and cash equivalents at end of period

See Notes to the Consolidated Financial Statements.

The Dow Chemical Company and Subsidiaries
Consolidated Statements of Equity

	In millions (Unaudited)	Three Months Ended		Six Months Ended		In millions (Unaudited)	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Common Stock										
Balance at beginning and end of period										
Balance at beginning and end of period										
Balance at beginning and end of period										
Additional Paid-in Capital										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Issuance of parent company stock - Dow Inc.										
Stock-based compensation										
Balance at end of period										
Balance at end of period										
Balance at end of period										
Retained Earnings										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Net income available for The Dow Chemical Company common stockholder										
Dividends to Dow Inc.										
Other										
Balance at end of period										
Accumulated Other Comprehensive Loss										
Balance at beginning of period										
Balance at beginning of period										
Balance at beginning of period										
Other comprehensive income (loss)										
Balance at end of period										
The Dow Chemical Company's stockholder's equity										
The Dow Chemical Company's stockholder's equity										
The Dow Chemical Company's stockholder's equity										
Noncontrolling Interests										
Total Equity										

See Notes to the Consolidated Financial Statements.

Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries

(Unaudited)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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NOTE 1 – CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

Dow Inc. is the direct parent company of The Dow Chemical Company and its consolidated subsidiaries ("TDCC" and together with Dow Inc., "Dow" or the "Company"). The unaudited interim consolidated financial statements of Dow Inc. and TDCC were prepared in accordance with accounting principles generally accepted in the United States of America and reflect all adjustments (including normal recurring accruals) which, in the opinion of management, are considered necessary for the fair presentation of the results for the periods presented. These statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the combined Dow Inc. and TDCC Annual Report on Form 10-K for the year ended December 31, 2023 ("2023 10-K").

As a result of the parent/subsidiary relationship between Dow Inc. and TDCC, and considering that the financial statements and disclosures of each company are substantially similar, the companies are filing a combined report for this Quarterly Report on Form 10-Q. The information reflected in the report is equally applicable to both Dow Inc. and TDCC, except where otherwise noted. Transactions between TDCC and Dow Inc. are treated as related party transactions for TDCC.

Except as otherwise indicated by the context, the term "Union Carbide" means Union Carbide Corporation and the term "Dow Silicones" means Dow Silicones Corporation, both wholly owned subsidiaries of the Company.

NOTE 2 – RECENT ACCOUNTING GUIDANCE

Recently Adopted Accounting Guidance

On January 1, 2024, the Company adopted the amendments in Accounting Standards Update ("ASU") 2023-02, "Investments — Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method" and elected to account for certain tax equity investments using the proportional amortization method, as provided by the ASU. Under the proportional amortization method, an entity amortizes the initial cost of tax equity investments in proportion to the income tax credits and other income tax benefits received and recognizes the net amortization and income tax credits and other income tax benefits in the income statement as a component of income tax expense (benefit). The adoption of the ASU did not have a material impact on the Company's consolidated financial statements.

Accounting Guidance Issued But Not Adopted at **June 30, 2024** September 30, 2024

In November 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses, allowing financial statement users to better understand the components of a segment's profit or loss to assess potential future cash flows for each reportable segment and the entity as a whole. The amendments expand a public entity's segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker, clarifying when an entity may report one or more additional measures to assess segment performance, requiring enhanced interim disclosures, providing new disclosure requirements for entities with a single reportable segment, and requiring other new disclosures. The amendments are effective for fiscal years beginning after

December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. The adoption of the ASU is not expected to have a material impact on the Company's consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," which is intended to enhance the transparency, decision usefulness and effectiveness of income tax disclosures. The amendments in this ASU require a public entity to disclose a tabular tax rate reconciliation, using both percentages and currency, with specific categories. A public entity is also required to provide a qualitative description of the states and local jurisdictions that make up the majority of the effect of the state and local income tax category and the net amount of income taxes paid, disaggregated by federal, state and foreign taxes and also disaggregated by individual jurisdictions. The amendments also remove certain disclosures that are no longer considered cost beneficial. The amendments are effective prospectively for annual periods beginning after December 15, 2024, and early adoption and retrospective application are permitted. The adoption of the ASU is not expected to have a material impact on the Company's consolidated financial statements.

SEC Final Rules Not Adopted at June 30, 2024 September 30, 2024

In March 2024, the U.S. Securities and Exchange Commission ("SEC") adopted final rules under SEC Release Nos. 33-11275 and 34-99678, "The Enhancement and Standardization of Climate-Related Disclosures for Investors," which requires registrants to disclose certain climate-related information in registration statements and annual reports. The final rules include requirements to disclose material climate-related risks; activities to mitigate or adapt to such risks; information about the board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. Registrants are also required to disclose the financial statement effects of severe weather events and other natural conditions in the notes to the financial statements. Certain large registrants are also required to disclose Scope 1 and Scope 2 greenhouse gas ("GHG") emissions, when material. The final rules include a phased-in compliance period for all registrants. As a large accelerated filer, most disclosure requirements are effective for the Company beginning with the year ending December 31, 2025. GHG emissions disclosures are required for the year ending December 31, 2026. The Company will also be required to obtain limited assurance on its Scope 1 and Scope 2 GHG emissions disclosures beginning with the year ending December 31, 2029, with reasonable assurance required beginning with the year ending December 31, 2033. In April 2024, the SEC issued an order to stay the final rules until various legal challenges are resolved by the U.S. Court of Appeals for the Eighth Circuit. The Company is currently evaluating the impact of the final rules on its consolidated financial statements and annual disclosures.

NOTE 3 – REVENUE

Revenue Recognition

The majority of the Company's revenue is derived from product sales. The Company's revenue related to product sales was 97 percent and 98 percent for the three and six nine months ended June 30, 2024 September 30, 2024, respectively (98 percent and 99 percent for the three and six nine months ended June 30, 2023, respectively). September 30, 2023). The remaining sales were primarily related to the Company's insurance operations and licensing of patents and technologies. Product sales consist of sales of the Company's products to manufacturers and distributors. The Company considers order confirmations or purchase orders, which in some cases are governed by master supply agreements, to be contracts with a customer. The Company enters into licensing arrangements in which it licenses certain rights of its patents and technology to customers. Revenue from the Company's licenses for patents and technology is derived from sales-based royalties and licensing arrangements based on billing schedules established in each contract.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to unsatisfied or partially unsatisfied performance obligations. At June 30, 2024 September 30, 2024, the Company had unfulfilled performance obligations of \$799 \$775 million (\$744 million at December 31, 2023) related to the licensing of technology. The Company expects revenue to be recognized for the remaining performance obligations over the next six five years.

The Company has additional remaining performance obligations for product sales that have expected durations of one year or less, product sales of materials delivered through a pipeline for which the Company has elected the "right to invoice" practical expedient, and variable consideration attributable to royalties for licenses of patents and technology. The Company has received advance payments from customers related to long-term supply agreements that are deferred and recognized over the life of the contract, with remaining contract terms that range up to 19 years. The Company will have rights to future consideration for revenue recognized when product is delivered to the customer. These payments are included in "Accrued and other current liabilities" and "Other noncurrent obligations" in the consolidated balance sheets.

Disaggregation of Revenue

The Company disaggregates its revenue from contracts with customers by operating segment and business, as the Company believes it best depicts the nature, amount, timing and uncertainty of its revenue and cash flows. See details in the tables below:

Net Trade Sales by Segment and Business In millions	Net Trade Sales by Segment and Business In millions	Three Months Ended		Six Months Ended		Net Trade Sales by Segment and Business In millions	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Hydrocarbons & Energy										
Packaging and Specialty Plastics										
Packaging & Specialty Plastics										
Industrial Solutions										
Polyurethanes & Construction Chemicals										

Other
Industrial Intermediates & Infrastructure
Coatings & Performance Monomers
Consumer Solutions
Performance Materials & Coatings
Corporate
Total

Net Trade Sales by Geographic Region	Net Trade Sales by Geographic Region	Three Months Ended		Six Months Ended		Net Trade Sales by Geographic Region	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
In millions	In millions					In millions				
U.S. & Canada										
EMEA ¹										
Asia Pacific										
Latin America										
Total										

1. Europe, Middle East, Africa and India.

Contract Assets and Liabilities

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets include amounts related to the Company's contractual right to consideration for completed performance obligations not yet invoiced. Contract liabilities include payments received in advance of performance under the contract and are recognized in revenue when the performance obligations are met. "Contract liabilities - current" primarily reflects deferred revenue from prepayments from customers for product to be delivered in 12 months or less and royalty payments that are deferred and will be recognized in 12 months or less. "Contract liabilities - noncurrent" includes advance payments that the Company has received from customers related to long-term supply agreements and royalty payments that are deferred and recognized over the life of the contract.

Revenue recognized in the first **six** **nine** months of 2024 from amounts included in contract liabilities at the beginning of the period was approximately **\$90** **\$135** million (approximately **\$175** **\$205** million in the first **six** **nine** months of 2023). In the first **six** **nine** months of 2024, the amount of contract assets reclassified to receivables as a result of the right to the transaction consideration becoming unconditional was insignificant (approximately \$45 million in the first **six** **nine** months of 2023).

The following table summarizes contract assets and liabilities at **June 30, 2024** **September 30, 2024** and **December 31, 2023**:

Contract Assets and Liabilities	Contract Assets and Liabilities	Balance Sheet Classification	Jun 30, 2024	Dec 31, 2023	Contract Assets and Liabilities	Balance Sheet Classification	Sep 30, 2024	Dec 31, 2023
In millions								
Accounts and notes receivable - trade								
Contract assets - current								
Contract assets - noncurrent								
Contract liabilities - current								
Contract liabilities - noncurrent								

NOTE 4 – ACQUISITIONS AND DIVESTITURES

Divestiture of the Flexible Packaging Laminating Adhesives Business

On May 2, 2024, the Company announced it entered into a definitive agreement to sell its flexible packaging laminating adhesives business, within Dow's Packaging & Specialty Plastics segment, to Arkema S.A. for approximately \$150 million. The divestiture includes five manufacturing sites in the United States, Italy and Mexico as well as the associated

inventory, customer contracts and lists, process technology and certain intellectual property. The Company is targeting to close the transaction by the end of 2024, subject to regulatory approval and other closing conditions.

Acquisition of North American Polyethylene Recycler

On **June 20, 2024** August 1, 2024, the Company announced it entered into a definitive agreement to purchase **acquired** Cirlus Holdings, PBLLC, a U.S. company that recycles plastic waste into post-consumer **resin**, for a cash purchase of approximately \$130 million. The acquisition includes two facilities in the United States with a total recycling capacity of 50,000 metric tons per year and supports Dow's efforts to transform plastic waste and other forms of alternative feedstocks into 3 million metric tons of circular and renewable solutions annually by 2030. The transaction is expected assets acquired and liabilities assumed as part of the acquisition were recorded at their estimated fair value as of the acquisition date, including property of \$74 million and intangible assets, consisting primarily of technology and know-how, of \$22 million, with the excess of purchase price over the fair value of net assets acquired of \$36 million allocated to **close in the third quarter of 2024**, goodwill. These amounts are subject to **regulatory approval and other closing conditions**, adjustment upon completion of the valuation process.

NOTE 5 – RESTRUCTURING AND ASSET RELATED CHARGES - NET

Charges for restructuring programs and other asset related charges, which include asset impairments, are recorded in "Restructuring and asset related charges - net" in the consolidated statements of income. For additional information on the Company's restructuring programs, see Note 4 to the Consolidated Financial Statements included in the 2023 10-K.

2023 Restructuring Program

On January 25, 2023, the Dow Inc. Board of Directors ("Board") approved restructuring actions to achieve the Company's structural cost improvement initiatives in response to the continued economic impact from the global recessionary environment and to enhance its agility and long-term competitiveness across the economic cycle. These actions are expected to be substantially complete by the end of **2024**, the **first quarter of 2025**. In the first quarter of 2024, the Company recorded additional pretax restructuring charges of \$8 million for asset write-downs and write-offs related to the shutdown of certain polyurethanes assets within the Industrial Intermediates & Infrastructure segment. In the third quarter of 2024, the Company recorded additional pretax restructuring charges of \$7 million for asset write-downs and write-offs related to the shutdown of certain silicones assets within the Performance Materials & Coatings segment. The impacted facilities are expected to be shutdown by the end of 2025. Additionally, the Company recorded a pretax restructuring charge of \$16 million for severance and related benefit costs and a pretax restructuring charge of \$1 million for additional asset write-downs and write-offs, related to Corporate.

The following table summarizes the activities related to the 2023 Restructuring Program, including segment information:

2023 Restructuring Program								
2023 Restructuring Program								
In millions	In millions	Severance and Related Benefit Costs	Asset Write-downs and Write-offs	Total	Severance and Related Benefit Costs	Asset Write-downs and Write-offs	Total	In millions
Packaging & Specialty Plastics								Severance and Related Benefit Costs
Industrial Intermediates & Infrastructure								
Performance Materials & Coatings								
Corporate								
Total restructuring charges								
Charges against the reserve								
Cash payments								
Reserve balance at Mar 31, 2023								
Industrial Intermediates & Infrastructure								
Total restructuring charges								
Charges against the reserve								
Cash payments								
Reserve balance at Jun 30, 2023								
Cash payments								

Reserve balance at Sep 30, 2023
Industrial Intermediates & Infrastructure
Corporate
Total restructuring charges
Charges against the reserve
Cash payments
Reserve balance at Dec 31, 2023
Industrial Intermediates & Infrastructure
Total restructuring charges
Charges against the reserve
Cash payments
Reserve balance at Mar 31, 2024
Cash payments
Reserve balance at Jun 30, 2024
Performance Materials & Coatings
Corporate
Total restructuring charges
Charges against the reserve
Cash payments
Reserve balance at Sep 30, 2024

At **June 30, 2024** **September 30, 2024**, **\$59** **\$60** million of the reserve balance was included in "Accrued and other current liabilities" (\$101 million at December 31, 2023) and **\$2 million** **zero** was included in "Other noncurrent obligations" (\$21 million at December 31, 2023) in the consolidated balance sheets.

The Company recorded pretax restructuring charges of **\$543** **\$567** million inception-to-date under the 2023 Restructuring Program, consisting of severance and related benefit costs of **\$344** **\$360** million and asset write-downs and write-offs of **\$199** **\$207** million.

Restructuring implementation costs, primarily decommissioning and demolition activities related to asset actions, and costs associated with the Company's productivity and efficiency actions, are expected to result in additional cash expenditures of approximately **\$186** **\$90** million, primarily through the **end** **first quarter** of **2024** **2025**. Restructuring implementation and efficiency costs totaled **\$56** **\$55** million and **\$102** **\$157** million for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively (**\$47** **\$82** million and **\$87** **\$169** million for the three and **six** **nine** months ended **June 30, 2023** **September 30, 2023**, respectively).

Asset Related Charges

In the first quarter of 2024, the Company recognized pretax impairment charges of \$37 million, primarily related to write-downs of certain manufacturing assets in the United States and Italy included in the Company's planned divestiture of its flexible packaging laminating adhesives business. The impairment charges were included in "Restructuring and asset related charges - net" in the consolidated statements of income and related to Packaging & Specialty Plastics. See Notes 4 and **19** **20** for additional information.

NOTE 6 – SUPPLEMENTARY INFORMATION

Dow Inc. Sundry Income (Expense) – Net	Dow Inc. Sundry Income (Expense) – Net	Three Months Ended	Six Months Ended	Dow Inc. Sundry Income (Expense) – Net	Three Months Ended	Nine Months Ended
--	--	--------------------	------------------	--	--------------------	-------------------

In millions	In millions	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023	In millions	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Non-operating pension and other postretirement benefit plan net credits ¹										
Foreign exchange losses ²										
Gain on sales of other assets and investments ³										
Indemnification and other transaction related costs ⁴										
Indemnification and other transaction related costs ⁴										
Indemnification and other transaction related costs ⁴										
Gain on early extinguishment of debt ⁵										
Asset impairments and related costs ⁶										
Other - net										
Total sundry income (expense) – net										

1. See Note [16](#) [17](#) for additional information.

2. Foreign exchange losses for the three months ended [June 30, 2024](#) [September 30, 2024](#) relate primarily to exposures in the Argentine peso, while losses in the [six](#) [nine](#) months ended [June 30, 2024](#) [September 30, 2024](#) relate primarily to exposures in the Egyptian pound and Argentine peso. Foreign exchange losses for the three and [six](#) [nine](#) months ended [June 30, 2023](#) [September 30, 2023](#) relate primarily to exposures in the Argentine peso.

3. The [six](#) [three](#) and [nine](#) months ended [June 30, 2023](#) [September 30, 2024](#) includes a gain of \$25 million associated with a warehouse sale. The nine months ended [September 30, 2023](#) includes gains associated with the sale of shares of a previously impaired equity method investment.

4. Primarily related to charges associated with agreements entered into with DuPont de Nemours, Inc. ("DuPont") and Corteva, Inc. ("Corteva") as part of the separation and distribution.

5. See Note [11](#) [12](#) for additional information.

6. Certain obligations associated with a previously impaired equity method investment.

Sundry income (expense) - net for TDCC for the three and [six](#) [nine](#) months ended [June 30, 2024](#) [September 30, 2024](#) and 2023 is substantially the same as that of Dow Inc., with the primary difference related to indemnification and other transaction related costs recorded on Dow Inc. Therefore, [TDCC](#) [sundry](#) [Sundry](#) income (expense) - net for [TDCC](#) is not disclosed separately.

Other Investments

The Company has investments in company-owned life insurance policies, which are recorded at their cash surrender value as of each balance sheet date, as provided below:

Investments in Company-Owned Life Insurance	Investments in Company-Owned Life Insurance	Jun 30, 2024	Dec 31, 2023	Investments in Company-Owned Life Insurance	Sep 30, 2024	Dec 31, 2023
In millions						
Gross cash value						
Less: Existing drawdowns ¹						
Less: Accrued interest on drawdowns ²						
Investments in company-owned life insurance ³						

1. Classified as "Proceeds from sales and maturities of investments" in the consolidated statements of cash flows.

2. Included in "Sundry income (expense) - net" in the consolidated statements of income.

3. Classified as "Other investments" in the consolidated balance sheets.

Supplier Finance Program

The Company facilitates a supply chain financing ("SCF") program in the ordinary course of business in order to extend payment terms with vendors. Under the terms of this program, a vendor can voluntarily enter into an agreement with a participating financial intermediary to sell its receivables due from the Company. The vendor receives payment from the financial intermediary, and the Company pays the financial intermediary on the terms originally negotiated with the vendor, which generally range from 90 to 120 days. The vendor negotiates the terms of the agreements directly with the financial intermediary and the Company is not a party to that agreement.

The financial intermediary may allow the participating vendor to utilize the Company's creditworthiness in establishing credit spreads and associated costs, which may provide the vendor with more favorable terms than they would be able to secure on their own. The Company does not provide guarantees related to the SCF program. At [June 30, 2024](#) [September 30, 2024](#), outstanding obligations confirmed as valid under the SCF program were [\\$328](#) [\\$304](#) million (\$285 million at December 31, 2023), included in "Accounts payable – Trade" in the consolidated balance sheets.

NOTE 7 – INCOME TAXES

As the financial statements for Dow Inc. and TDCC are substantially similar, including the provision for income taxes, the following income tax discussion does not include reference to TDCC's provision for income taxes or its effective tax rate.

The Company's effective tax rate fluctuates based on, among other factors, where income is earned, the level of income relative to tax attributes and the level of equity earnings, since most earnings from the Company's equity method investments are taxed at the joint venture level. In the ~~second~~third quarter of 2024, the Company reported a provision for income taxes of ~~\$150~~\$84 million, resulting in an effective tax rate of ~~24.7~~25.9 percent (~~\$210~~90 million in the ~~second~~third quarter of 2023, resulting in an effective tax rate of ~~29.5~~21.6 percent). In the first ~~six~~nine months of 2024, the Company reported a provision for income taxes of ~~\$61~~\$145 million, resulting in an effective tax rate of ~~5.8~~10.5 percent (~~\$163~~253 million in the first ~~six~~nine months of 2023, resulting in an effective tax rate of ~~27.6~~25.1 percent).

The third quarter of 2023 was favorably impacted by a change in reinvestment assertion on a foreign jurisdiction and an increase in tax credits available to the Company. In the first ~~quarter~~nine months of 2024, the Company recorded a tax credit of \$194 million related to a reassessment of interest and penalties on a tax matter in a foreign jurisdiction, resulting in a reduced effective tax rate for the first six months of 2024. The provision for income taxes in the first ~~six~~nine months of 2023 was primarily impacted by the geographic mix of earnings, which resulted in a higher effective tax rate.

NOTE 8 – NONCONSOLIDATED AFFILIATES

For additional information on the Company's nonconsolidated affiliates, see Note 10 to the Consolidated Financial Statements included in the 2023 10-K.

The Company's investments in companies accounted for using the equity method ("nonconsolidated affiliates"), by classification in the consolidated balance sheets are shown in the following table:

Investments in Nonconsolidated Affiliates	Sep 30, 2024	Dec 31, 2023
In millions		
Investment in nonconsolidated affiliates	\$ 1,303	\$ 1,267
Other noncurrent obligations	(488)	(229)
Net investment in nonconsolidated affiliates	\$ 815	\$ 1,038

At September 30, 2024, the Company had a negative investment balance in Sadara Chemical Company of \$420 million included in "Other noncurrent obligations" (negative \$128 million at December 31, 2023) in the consolidated balance sheets. The negative investment in Sadara Chemical Company at September 30, 2024 is due to equity losses generated during the first nine months of 2024 driven by the impact of challenging macroeconomic conditions.

At September 30, 2024, the Company had a negative investment balance in EQUATE Petrochemical Company K.S.C.C of \$68 million included in "Other noncurrent obligations" (negative \$101 million at December 31, 2023) in the consolidated balance sheets. The reduction in the negative investment was driven by improved results in the first nine months of 2024.

NOTE 9 – EARNINGS PER SHARE CALCULATIONS

The following tables provide earnings per share calculations for Dow Inc. for the three and ~~six~~nine months ended ~~June 30, 2024~~September 30, 2024 and 2023. Earnings per share of TDCC is not presented as this information is not required in financial statements of wholly owned subsidiaries.

Net Income for Earnings Per Share Calculations	Net Income for Earnings Per Share Calculations	Three Months Ended		Six Months Ended		Net Income for Earnings Per Share Calculations	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
In millions	In millions					In millions				
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										
Net income										

Net income
Net income
Net income
Net income
Net income attributable to noncontrolling interests
Net income attributable to participating securities ¹
Net income attributable to common stockholders

1. Restricted stock units are considered participating securities due to the Company's practice of paying dividend equivalents on unvested shares.

Weighted-average common shares outstanding - basic
Weighted-average common shares outstanding - basic
Plus dilutive effect of equity compensation plans
Weighted-average common shares outstanding - diluted
Stock units excluded from EPS calculations
1

1. These outstanding stock units were excluded from the calculation of diluted earnings per share because the effect of including them would have been antidilutive.

NOTE 9.10 – INVENTORIES

The following table provides a breakdown of inventories:

Inventories	Inventories	Inventories		Inventories	
		Jun 30, 2024	Dec 31, 2023	Sep 30, 2024	Dec 31, 2023
In millions					
Finished goods					
Work in process					
Raw materials					
Supplies					
Total					
Adjustment of inventories to the LIFO basis					
Total inventories					

NOTE 10.11 – TRANSFERS OF FINANCIAL ASSETS

Accounts Receivable Programs

The Company maintains accounts receivable facilities with various financial institutions, with committed and uncommitted facilities in the United States and a committed facility in Europe (collectively, "the Programs"), which are set to expire in November 2025. Under the terms of the Programs, the Company may sell certain eligible trade accounts receivable at any point in time, up to \$900 million for the U.S. committed facility and up to €500 million for the Europe committed facility. Under the terms of the Programs, the Company continues to service the receivables from the customer, but retains no interest in the receivables, and remits payment to the financial institutions. Losses on transfers of receivables were insignificant for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **September 30, 2023**. The Company also provides a guarantee to the financial institutions for the creditworthiness and collection of the receivables in satisfaction of the facility. See Note **12.13** for additional information related to guarantees.

The Company has access to accounts receivable discounting facilities that cover certain receivables generated from sales in EMEA, Asia Pacific and Canada (collectively, "the Facilities" "the Facilities"). Under the terms of the Facilities, the Company retains no interest in the transferred receivables once sold and receivables are transferred with limited recourse. The Company continues to service the receivables from the customer and remits payment to the Facilities. Losses on transfers of receivables were insignificant for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **September 30, 2023**.

The following table provides a summary of cash flows related to the Programs and the Facilities for the three and **six** **nine** months ended **June 30, 2024**. There were no transfers of receivables for the three **September 30, 2024** and **six** months ended **June 30, 2023**.

Cash Flows Related to Transfers of Accounts Receivable	Cash Flows Related to Transfers of Accounts Receivable	Three Months Ended		Six Months Ended		Cash Flows Related to Transfers of Accounts Receivable	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
In millions	In millions					In millions				
Proceeds received from new transfers										

The following table provides the balances related to the Programs and the Facilities at **June 30, 2024** **September 30, 2024** and December 31, 2023:

Balances Related to Transfers of Accounts Receivable	Balances Related to Transfers of Accounts Receivable			Balances Related to Transfers of Accounts Receivable			Balances Related to Transfers of Accounts Receivable		
		Jun 30, 2024	Dec 31, 2023		Sep 30, 2024	Dec 31, 2023		Sep 30, 2024	Dec 31, 2023
In millions									
Balance outstanding	Balance outstanding	\$ 623	\$ 170	Balance outstanding			\$ 199	\$ 170	

Accounts receivable derecognized	Accounts receivable derecognized	584	152	Accounts receivable derecognized	\$ 153	\$ 152
Amounts recognized in the consolidated balance sheets:						
Accrued and other current liabilities ¹						
Accrued and other current liabilities ¹						
Accrued and other current liabilities ¹		39	18	\$	46	\$ 18

1. Represents amounts collected from customers and not yet remitted by the Company.

NOTE 11.12 – NOTES PAYABLE, LONG-TERM DEBT AND AVAILABLE CREDIT FACILITIES

Notes Payable	Notes Payable	Jun 30, 2024	Dec 31, 2023	Notes Payable	Sep 30, 2024	Dec 31, 2023
In millions						
Notes payable to banks and other lenders						
Notes payable to banks and other lenders						
Notes payable to banks and other lenders	\$ 114	\$ 62	\$ 111	\$ 62		
Period-end average interest rates	21.46 %	33.84 %	39.13 %	33.84 %		
Period-end average interest rates						
Period-end average interest rates						

Long-Term Debt

Long-Term Debt

Long-Term Debt

In millions

In millions

In millions

Promissory notes and debentures:

Promissory notes and debentures:

Promissory notes and debentures:

Final maturity 2025

Final maturity 2025

Final maturity 2025

Final maturity 2028

Final maturity 2028

Final maturity 2028

Final maturity 2029

Final maturity 2029

Final maturity 2029

Final maturity 2030 and thereafter ¹

Final maturity 2030 and thereafter ¹

Final maturity 2030 and thereafter ¹

Other facilities:

Other facilities:

Other facilities:

Foreign currency notes and loans, various rates and maturities

Foreign currency notes and loans, various rates and maturities

Foreign currency notes and loans, various rates and maturities

InterNotes®, varying maturities through 2054

InterNotes®, varying maturities through 2054

InterNotes®, varying maturities through 2054

Finance lease obligations ²

Finance lease obligations ²

Finance lease obligations ²
Unamortized debt discount and issuance costs
Unamortized debt discount and issuance costs
Unamortized debt discount and issuance costs
Long-term debt due within one year ³
Long-term debt due within one year ³
Long-term debt due within one year ³
Long-term debt
Long-term debt
Long-term debt

1. Cost includes net fair value hedge adjustment gains of **\$19.70** million at **June 30, 2024** **September 30, 2024** (\$49 million at December 31, 2023). See Note **18.19** for additional information.

2. See Note **13.14** for additional information.

3. Presented net of current portion of unamortized debt issuance costs.

Maturities of Long-Term Debt for Next Five Years at Jun 30, 2024	Maturities of Long-Term Debt for Next Five Years at Sep 30, 2024	In millions
2024		
2025		
2026		
2027		
2028		
2029		

2024 Activity

In the first quarter of 2024, the Company issued \$1.25 billion of senior unsecured notes. The offering included \$600 million aggregate principal amount of 5.15 percent notes due 2034 and \$650 million aggregate principal amount of 5.60 percent notes due 2054. The issuance was completed under the Company's Green Finance Framework. The Company will distribute the proceeds toward projects that support the execution of its sustainability strategy and achieve its targets focused on climate protection and a circular economy, including applicable expenditures and investments related to the Company's Fort Saskatchewan Path2Zero project.

In the second quarter of 2024, the Company redeemed \$10 million aggregate principal amount of 2.10 percent notes due November 2030, \$30 million aggregate principal amount of 4.25 percent notes due October 2034, \$8 million aggregate principal amount of 5.25 percent notes due November 2041 and \$12 million aggregate principal amount of 4.375 percent notes due November 2042. As a result of the redemption, the Company recognized a pretax gain on the early extinguishment of debt of \$5 million, included in "Sundry income (expense) - net" in the consolidated statements of **income and related to Corporate income**.

In the first **six** **nine** months of 2024, the Company issued an aggregate principal amount of **\$24.71** million of InterNotes®. The Company also issued \$122 million of foreign currency loans. Additionally, the Company repaid **\$69.77** million of long-term debt.

Available Credit Facilities

The following table summarizes the Company's credit facilities:

Committed and Available Credit Facilities at Jun 30, 2024					Committed and Available Credit Facilities at Sep 30, 2024					
In millions	In millions	Committed Credit	Available Credit	Maturity Date	Interest	In millions	Committed Credit	Available Credit	Maturity Date	Interest
Five Year Competitive Advance and Revolving Credit Facility	Five Year Competitive Advance and Revolving Credit Facility	\$ 5,000	\$ 5,000	November 2028	November 2028 Floating rate	Five Year Competitive Advance and Revolving Credit Facility	\$ 5,000	\$ 5,000	November 2028	November 2028 Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	375	375	October 2024	October 2024 Floating rate	Bilateral Revolving Credit Facility	375	375	October 2024	October 2024 Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	100	100	March 2025	March 2025 Floating rate	Bilateral Revolving Credit Facility	100	100	March 2025	March 2025 Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	100	100	March 2025	March 2025 Floating rate	Bilateral Revolving Credit Facility	100	100	March 2025	March 2025 Floating rate

Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	200	200	200	September 2025	September 2025	Floating rate	Bilateral Revolving Credit Facility	200	200	200	September 2025	September 2025	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	175	175	175	September 2025	September 2025	Floating rate	Bilateral Revolving Credit Facility	175	175	175	September 2025	September 2025	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	300	300	300	November 2025	November 2025	Floating rate	Bilateral Revolving Credit Facility	300	300	300	November 2025	November 2025	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	300	300	300	February 2026	February 2026	Floating rate	Bilateral Revolving Credit Facility	300	300	300	February 2026	February 2026	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	100	100	100	March 2026	March 2026	Floating rate	Bilateral Revolving Credit Facility	100	100	100	March 2026	March 2026	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	150	150	150	November 2026	November 2026	Floating rate	Bilateral Revolving Credit Facility	150	150	150	November 2026	November 2026	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	200	200	200	November 2026	November 2026	Floating rate	Bilateral Revolving Credit Facility	200	200	200	November 2026	November 2026	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	250	250	250	March 2027	March 2027	Floating rate	Bilateral Revolving Credit Facility	250	250	250	March 2027	March 2027	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	100	100	100	May 2027	May 2027	Floating rate	Bilateral Revolving Credit Facility	100	100	100	May 2027	May 2027	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	350	350	350	June 2027	June 2027	Floating rate	Bilateral Revolving Credit Facility	350	350	350	June 2027	June 2027	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	200	200	200	September 2027	September 2027	Floating rate	Bilateral Revolving Credit Facility	200	200	200	September 2027	September 2027	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	100	100	100	October 2027	October 2027	Floating rate	Bilateral Revolving Credit Facility	100	100	100	October 2027	October 2027	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	100	100	100	November 2027	November 2027	Floating rate	Bilateral Revolving Credit Facility	100	100	100	November 2027	November 2027	Floating rate
Bilateral Revolving Credit Facility	Bilateral Revolving Credit Facility	300	300	300	May 2028	May 2028	Floating rate	Bilateral Revolving Credit Facility	300	300	300	May 2028	May 2028	Floating rate
Total committed and available credit facilities														

Debt Covenants and Default Provisions

There were no material changes to the debt covenants and default provisions related to the Company's outstanding long-term debt and primary, private credit agreements in the first **six nine** months of 2024. For additional information on the Company's debt covenants and default provisions, see Note 13 to the Consolidated Financial Statements included in the 2023 10-K.

NOTE 12.13 – COMMITMENTS AND CONTINGENCIES

A summary of the Company's commitments and contingencies can be found in Note 14 to the Consolidated Financial Statements included in the 2023 10-K, which is incorporated by reference herein.

Environmental Matters

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law and existing technologies. At **June 30, 2024** **September 30, 2024**, the Company had accrued obligations of **\$1,163** **\$1,157** million for probable environmental remediation and restoration costs (\$1,180 million at December 31, 2023), including **\$224** **\$240** million for the remediation of Superfund sites (\$241 million at December 31, 2023). This is management's best estimate of the costs for remediation and restoration with respect to environmental matters for which the Company has accrued liabilities, although it is reasonably possible that the ultimate cost with respect to these particular matters could range up to approximately two times that amount. Consequently, it is reasonably possible that environmental remediation and restoration costs in excess of amounts accrued could have a material impact on the Company's results of operations, financial condition and cash flows. It is the opinion of the Company's management, however, that the possibility is remote that costs in excess of the range disclosed will have a material impact on the Company's results of operations, financial condition and cash flows. Inherent uncertainties exist in these estimates primarily due to unknown conditions, changing governmental regulations and legal standards regarding liability, and emerging remediation technologies for handling site remediation and restoration. As new or additional information becomes available and/or certain spending trends become known, management will evaluate such information in determination of the current estimate of environmental liability.

Litigation

Asbestos-Related Matters of Union Carbide Corporation

Each quarter, Union Carbide reviews asbestos-related claims filed, settled and dismissed, as well as average settlement and resolution costs by disease category. Union Carbide also considers additional quantitative and qualitative factors such as the nature of pending claims, trial experience of Union Carbide and other asbestos defendants, current

spending for defense and processing costs, significant appellate rulings and legislative developments, trends in the tort system, and their respective effects on expected future resolution costs. Union Carbide's management considers these factors in conjunction with the most recent actuarial study and determines whether a change in the estimate is warranted. Based on Union Carbide's review of 2024 activity, it was determined that no adjustment to the accrual was required at **June 30, 2024** **September 30, 2024**.

Union Carbide's total asbestos-related liability for pending and future claims and defense and processing costs was **\$824** **\$807** million at **June 30, 2024** **September 30, 2024** (\$867 million at December 31, 2023). At **June 30, 2024** **September 30, 2024**, approximately **25** **23** percent of the recorded claim liability related to pending claims and approximately **75** **77** percent related to future claims.

Groundwater Contamination Legacy Matters

The Company is the subject of various complaints related to alleged groundwater contamination based on decades-old sales and applications of certain agricultural chemical products ("Legacy Liabilities" "Groundwater Matters"). The costs associated with these **Legacy Liabilities** **Groundwater Matters** were previously covered by insurance policies that have since been depleted. In the first quarter of 2023, the Company completed a study of the **Legacy Liabilities** **Groundwater Matters** now deemed to be probable and estimable based on the public reporting of sampling data and historical information to develop a reasonable estimate of the cost of pending and future claims. As a result, the Company recorded a pretax charge of \$177 million, included in "Cost of sales" in the consolidated statements of income and related to Industrial Intermediates & Infrastructure. At **June 30, 2024** **September 30, 2024**, the total liability related to such alleged **Legacy Liabilities** **Groundwater Matters** settlements was \$158 million (\$232 million at December 31, 2023), which was included in "Accrued and other current liabilities" and "Other noncurrent obligations" in the consolidated balance sheets.

The Company is also the subject of other groundwater contamination complaints, including claims related to 1,4-dioxane. The Company continues to defend itself in this litigation and it has determined that the Company's exposure to liability, if any, is not probable or estimable at **June 30, 2024** **September 30, 2024**.

Separately, on October 10, 2024, the Company executed a settlement agreement related to arbitration for historical product claims from a divested business. As a result, the Company recorded a pretax charge of \$75 million in the third quarter of 2024, which is included in "Cost of sales" in the consolidated statements of income, related to Corporate, and included in "Accrued and other current liabilities" in the consolidated balance sheets at September 30, 2024. This is management's best estimate of the loss for which the Company has accrued a liability, although the amount is subject to further arbitration and it is reasonably possible that the total loss could range up to approximately three times that amount.

Indemnifications with Corning Incorporated

The Company had indemnification assets with Corning Incorporated of \$58 million at **June 30, 2024** **September 30, 2024** (\$100 million at December 31, 2023) related to the 2016 ownership restructure of Dow Silicones, which were included in "Other current assets" and "Noncurrent receivables" in the consolidated balance sheets.

Gain Contingency - Dow v. Nova Chemicals Corporation Ethylene Asset Matter

As a result of a 2019 damages judgment related to the ethylene asset matter, Nova **Chemicals Corporation** was ordered to pay the Company \$1.43 billion Canadian dollars (equivalent to approximately \$1.08 billion U.S. dollars), for which the Company received payment in October 2019 and March 2020. At **June 30, 2024** **September 30, 2024**, \$201 million (\$201 million at December 31, 2023) was included in "Other noncurrent obligations" in the Company's consolidated balance sheets related to the disputed portion of the damages judgment.

Purchase Commitments

In the third quarter of 2024, the Company entered into a commitment for the use of a reservoir asset that will be used to supply water to one of Dow's main U.S. Gulf Coast manufacturing locations. The related contract is expected to become effective in the fourth quarter of 2024, subject to customary closing conditions, with a 35 year contract period expected to commence in 2028 upon completion of construction. The aggregate value of the fixed and determinable portion over the expected contract period is \$1.3 billion (approximately \$650 million on a present value basis) at September 30, 2024.

Guarantees

The following table provides a summary of the final expiration, maximum future payments and recorded liability included in the consolidated balance sheets for guarantees:

Guarantees	Guarantees	Jun 30, 2024			Dec 31, 2023			Guarantees	Sep 30, 2024			Dec 31, 2023			
		In millions	In millions	Final Expiration	Maximum Payments	Recorded Liability	In millions		In millions	Final Expiration	Maximum Payments	Recorded Liability	In millions	Final Expiration	Maximum Payments
Guarantees															

1. In addition, TDCC has provided guarantees, in proportion to the Company's 35 percent ownership interest, of all future interest payments that will become due on Sadara's project financing debt during the grace period, which Dow's share is estimated to be **\$243** **\$232** million at **June 30, 2024** **September 30, 2024** (\$298 million at December 31, 2023). The Company does not expect to be required to perform under the guarantees.

Guarantees arise during the ordinary course of business from relationships with customers, accounts receivable facilities and nonconsolidated affiliates when the Company undertakes an obligation to guarantee the performance of others (via delivery of cash or other assets) if specified triggering events occur. With guarantees, such as commercial or financial contracts, non-performance by the guaranteed party triggers the obligation of the Company to make payments to the beneficiary of the guarantee. The majority of the

Company's guarantees relate to debt of nonconsolidated affiliates, which have expiration dates ranging from less than 1 year to 14 years. The Company's current expectation is that future payment or performance related to the non-performance of others is considered remote.

The Company maintains accounts receivable facilities with various financial institutions, with committed and uncommitted facilities in the United States and a committed facility in Europe. Under the terms of the Programs, the Company continues to service the receivables from the **customer**, **customers**, but retains no interest in the receivables, and remits payment to the financial institutions. The Company also has access to accounts receivable discounting facilities, under which receivables are transferred with limited recourse. The Company's maximum guaranteed liability for the accounts receivable facilities is **\$563 million** **\$123 million** at **June 30, 2024** **September 30, 2024** (\$150 million at December 31, 2023). The Company expects receivable collections and remittances to occur within the next six months.

TDCC has entered into guarantee agreements related to Sadara, a nonconsolidated affiliate. Sadara reached an agreement with its lenders to re-profile its outstanding project financing debt in the first quarter of 2021. In conjunction with the debt re-profiling, TDCC entered into a guarantee of up to approximately \$1.3 billion of Sadara's debt, proportionate to the Company's 35 percent ownership interest. The debt re-profiling also includes a grace period until June 2026, during which Sadara is obligated to make interest-only payments which are guaranteed by TDCC in proportion to the Company's 35 percent ownership interest. As part of the debt re-profiling, Sadara established a **\$500 million** **\$500 million** revolving credit facility guaranteed by Dow, which would be used to fund Dow's pro-rata share of any potential shortfall during the grace period.

NOTE 13.14 – LEASES

For additional information on the Company's leases, see Note 15 to the Consolidated Financial Statements included in the 2023 10-K.

The components of lease cost for operating and finance leases for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 were as follows:

Lease Cost In millions	Lease Cost In millions	Three Months Ended		Six Months Ended		Lease Cost In millions	Three Months Ended		Nine Months Ended			
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023		
Operating lease cost												
Finance lease cost												
Amortization of right-of-use assets - finance												
Amortization of right-of-use assets - finance												
Amortization of right-of-use assets - finance												
Interest on lease liabilities - finance												
Total finance lease cost												
Short-term lease cost												
Variable lease cost												
Sublease income												
Total lease cost												

The following table provides supplemental cash flow and other information related to leases:

Other Lease Information In millions	Other Lease Information In millions	Six Months Ended		Other Lease Information In millions	Nine Months Ended			
		Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023		
Cash paid for amounts included in the measurement of lease liabilities:								
Operating cash flows for operating leases								
Operating cash flows for operating leases								
Operating cash flows for operating leases								
Operating cash flows for finance leases								
Financing cash flows for finance leases								
Right-of-use assets obtained in exchange for lease obligations:								
Operating leases								
Operating leases								
Operating leases								

NOTE 14.15 – ACCUMULATED OTHER COMPREHENSIVE LOSS

The changes in each component of accumulated other comprehensive loss ("AOCL") for the three and **six** months ended **June 30, 2024** **September 30, 2024** and 2023 were as follows:

Accumulated Other Comprehensive Loss In millions	Accumulated Other Comprehensive Loss In millions	<i>Three Months Ended</i>		<i>Six Months Ended</i>		Accumulated Other Comprehensive Loss In millions	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
		<i>Jun 30, 2024</i>	<i>Jun 30, 2023</i>	<i>Jun 30, 2024</i>	<i>Jun 30, 2023</i>		<i>Sep 30, 2024</i>	<i>Sep 30, 2023</i>	<i>Sep 30, 2024</i>	<i>Sep 30, 2023</i>
Unrealized Gains (Losses) on Investments										
Beginning balance										
Beginning balance										
Beginning balance										
Unrealized gains (losses) on investments										
Tax (expense) benefit										
Net unrealized gains (losses) on investments										
(Gains) losses reclassified from AOCL to net income ¹										
Tax expense (benefit) ²										
Net (gains) losses reclassified from AOCL to net income										
Other comprehensive income (loss), net of tax										
Ending balance										
Cumulative Translation Adjustment										
Beginning balance										
Beginning balance										
Beginning balance										
Gains (losses) on foreign currency translation										
Tax (expense) benefit										
Net gains (losses) on foreign currency translation										
(Gains) losses reclassified from AOCL to net income ³										
Other comprehensive income (loss), net of tax										
Ending balance										
Pension and Other Postretirement Benefits										
Beginning balance										
Beginning balance										
Beginning balance										
Gains (losses) arising during the period										
Amortization of net loss and prior service credits reclassified from AOCL to net income ⁴										
Amortization of net loss and prior service credits reclassified from AOCL to net income ⁴										
Amortization of net loss and prior service credits reclassified from AOCL to net income ⁴										

Tax expense (benefit) ²
Net loss and prior service credits reclassified from AOCL to net income
Other comprehensive income (loss), net of tax
Ending balance
Derivative Instruments
Beginning balance
Beginning balance
Beginning balance
Gains (losses) on derivative instruments
Tax (expense) benefit
Net gains (losses) on derivative instruments
(Gains) losses reclassified from AOCL to net income ⁵
Tax expense (benefit) ²
Net (gains) losses reclassified from AOCL to net income
Other comprehensive income (loss), net of tax
Ending balance
Total AOCL ending balance

1. Reclassified to "Net sales" and "Sundry income (expense) - net."

2. Reclassified to "Provision for income taxes."

3. Reclassified to "Sundry income (expense) - net."

4. These AOCL components are included in the computation of net periodic benefit cost (credit) of the Company's defined benefit pension and other postretirement benefit plans. See Note [16](#) [17](#) for additional information.

5. Reclassified to "Cost of sales," "Sundry income (expense) - net" and "Interest expense and amortization of debt discount."

NOTE [15](#) [16](#) – NONCONTROLLING INTERESTS

Ownership interests in the Company's subsidiaries held by parties other than the Company are presented separately from the Company's equity in the consolidated balance sheets as "Noncontrolling interests." The amount of consolidated net income attributable to the Company and the noncontrolling interests are both presented on the face of the consolidated statements of income.

The following table summarizes the activity for equity attributable to noncontrolling interests for the three and [six](#) [nine](#) months ended [June 30, 2024](#) [September 30, 2024](#) and 2023:

Noncontrolling Interests	Noncontrolling Interests	<i>Three Months Ended</i>		<i>Six Months Ended</i>		Noncontrolling Interests	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
		<i>Jun 30, 2024</i>	<i>Jun 30, 2023</i>	<i>Jun 30, 2024</i>	<i>Jun 30, 2023</i>		<i>Sep 30, 2024</i>	<i>Sep 30, 2023</i>	<i>Sep 30, 2024</i>	<i>Sep 30, 2023</i>
<i>In millions</i>										
Balance at beginning of period										
Net income attributable to noncontrolling interests										
Distributions to noncontrolling interests ¹										
Distributions to noncontrolling interests ¹										
Distributions to noncontrolling interests ¹										
Cumulative translation adjustments										
Cumulative translation adjustments										
Cumulative translation adjustments										
Other										
Balance at end of period										

1. Includes dividends paid to a joint venture of \$8 million for the three and **six** nine months ended **June 30, 2024** **September 30, 2024** (\$8 million for the three and **six** nine months ended **June 30, 2023** **September 30, 2023**) which were reclassified to "Equity in earnings of nonconsolidated affiliates" in the consolidated statements of income.

NOTE 1617 – PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

A summary of the Company's pension and other postretirement benefit plans can be found in Note 18 to the Consolidated Financial Statements included in the 2023 10-K. The following table provides the components of the Company's net periodic benefit cost (credit) for all significant plans:

Net Periodic Benefit Cost (Credit) for All Significant Plans In millions	Net Periodic Benefit Cost (Credit) for All Significant Plans In millions	Three Months Ended		Six Months Ended		Net Periodic Benefit Cost (Credit) for All Significant Plans In millions	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Defined Benefit Pension Plans										
Service cost										
Service cost										
Service cost										
Interest cost										
Expected return on plan assets										
Amortization of prior service credit										
Amortization of net loss										
Net periodic benefit credit										
Net periodic benefit credit										
Net periodic benefit credit										
Other Postretirement Benefit Plans										
Other Postretirement Benefit Plans										
Other Postretirement Benefit Plans										
Service cost										
Service cost										
Service cost										
Interest cost										
Amortization of net gain										
Net periodic benefit cost (credit)										
Net periodic benefit cost (credit)										
Net periodic benefit cost (credit)										

Net periodic benefit cost (credit), other than the service cost component, is included in "Sundry income (expense) - net" in the consolidated statements of income.

NOTE 1718 – STOCK-BASED COMPENSATION

A summary of the Company's stock-based compensation plans can be found in Note 19 to the Consolidated Financial Statements included in the 2023 10-K.

Stock Incentive Plan

The Company grants stock-based compensation to employees and non-employee directors under the 2019 Stock Incentive Plan, as amended. Most of the Company's stock-based compensation awards are granted in the first quarter of each year.

In the first quarter of 2024, Dow Inc. granted the following stock-based compensation awards to employees:

- 1.3 million stock options with a weighted-average exercise price of \$55.17 per share and a weighted-average fair value of \$10.94 per share;
- 2.0 million restricted stock units with a weighted-average fair value of \$55.18 per share; and
- 1.4 million performance stock units with a weighted-average fair value of \$58.42 per share.

There was minimal grant activity in the second quarter and third quarters of 2024.

Employee Stock Purchase Plan

The Dow Inc. 2021 Employee Stock Purchase Plan (the "2021 ESPP") was adopted by the Dow Inc. Board on February 11, 2021, and approved by stockholders at the Company's annual meeting on April 15, 2021. Under the 2024 annual offering of the 2021 ESPP, most employees will be eligible to purchase shares of common stock of Dow Inc. valued at up to 10 percent of their annual total base salary or wages. The number of shares purchased is determined using the amount contributed by the employee divided by the plan price. The plan price of the stock is equal to 85 percent of the fair market value (closing price) of the common stock at April 1, 2024 (beginning) or October 4, 2024 (ending) of the offering period, whichever is lower.

In the first quarter of 2024, employees subscribed to the right to purchase approximately 2.5 million shares under the 2021 ESPP. The plan price is fixed upon the close of the offering period and will be determined in the fourth quarter of 2024. In October 2024, 2.4 million shares will be delivered to employees under the fourth quarter of 2024 plan.

NOTE 18.19 – FINANCIAL INSTRUMENTS

A summary of the Company's financial instruments, risk management policies, derivative instruments and hedging activities can be found in Note 20 to the Consolidated Financial Statements included in the 2023 10-K.

Refer to Note 19.20 for a summary of the fair value of financial instruments at June 30, 2024 September 30, 2024 and December 31, 2023.

Debt Securities

The Company's investments in debt securities are primarily classified as available-for-sale. The following table provides investing results from available-for-sale securities for the six months ended June 30, 2024 September 30, 2024 and 2023:

Investing Results In millions	Investing Results In millions	Six Months Ended		Investing Results In millions	Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023
Proceeds from sales of available-for-sale securities						
Gross realized gains						
Gross realized losses						

The following table summarizes contractual maturities of the Company's investments in debt securities:

Contractual Maturities of Debt Securities at Jun 30, 2024		Cost	Fair Value	In millions	Cost	Fair Value
In millions	In millions					
Within one year		Cost	Fair Value	In millions	Cost	Fair Value
One to five years						
Six to ten years						
After ten years						
Total						

Equity Securities

There were no material adjustments to the carrying value of the not readily determinable investments for impairment or observable price changes for the three and six months ended June 30, 2024 September 30, 2024. There were no \$1 million of net unrealized gains or losses recognized in earnings on equity securities for the three and six months ended June 30, 2024 September 30, 2024 (\$2.4 million of net unrealized losses for the three months ended September 30, 2023 and \$6 million of net unrealized gains for the three months ended June 30, 2023 and \$10 million of net unrealized gains for the six months ended June 30, 2023 September 30, 2023).

Investments in Equity Securities In millions	Investments in Equity Securities In millions	Investments in Equity Securities		Investments in Equity Securities In millions	Investments in Equity Securities In millions	
		Jun 30, 2024	Dec 31, 2023			
Readily determinable fair value						
Not readily determinable fair value						

Derivative Instruments

The notional amounts of the Company's derivative instruments at June 30, 2024 September 30, 2024 and December 31, 2023 were as follows:

Notional Amounts 1 In millions	Notional Amounts 1 In millions	Notional Amounts 1		Notional Amounts 1 In millions	Notional Amounts 1 In millions	
		Jun 30, 2024	Dec 31, 2023			
Derivatives designated as hedging instruments:						
Interest rate contracts						

Interest rate contracts
Interest rate contracts
Foreign currency contracts
Derivatives not designated as hedging instruments:
Interest rate contracts
Interest rate contracts
Interest rate contracts
Foreign currency contracts

1. Notional amounts represent the absolute value of open derivative positions at the end of the period. Multi-leg option positions are reflected at the maximum notional position at expiration.

The notional amounts of the Company's commodity derivatives at **June 30, 2024** **September 30, 2024** and December 31, 2023 were as follows:

Commodity Notionals ¹	Commodity Notionals ¹	Jun 30, 2024	Dec 31, 2023	Notional Volume Unit	Commodity Notionals ¹	Sep 30, 2024	Dec 31, 2023	Notional Volume Unit
Derivatives designated as hedging instruments:								
Hydrocarbon derivatives								
Hydrocarbon derivatives								
Hydrocarbon derivatives		3.0	3.7	million barrels of oil equivalent		4.7	3.7	million barrels of oil equivalent
Derivatives not designated as hedging instruments:								
Hydrocarbon derivatives								
Hydrocarbon derivatives								
Hydrocarbon derivatives	—	1.4	1.4	million barrels of oil equivalent		1.6	1.4	million barrels of oil equivalent

1. Notional amounts represent the net volume of open derivative positions outstanding at the end of the period.

Maturity Dates of Derivatives Designated as Hedging Instruments	Year
Interest rate contracts	2025
Foreign currency contracts	2026
Commodity contracts	2026 2028

The following table provides the fair value and balance sheet classification of derivative instruments at **June 30, 2024** **September 30, 2024** and December 31, 2023:

Fair Value of Derivative Instruments		Jun 30, 2024			Dec 31, 2023			Sep 30, 2024			Dec 31, 2023			
In millions	In millions	Gross	Counterparty and Cash Collateral Netting ¹	Net	Gross	Counterparty and Cash Collateral Netting ¹	Net	In millions	Gross	Counterparty and Cash Collateral Netting ¹	Net	Gross	Counterparty and Cash Collateral Netting ¹	Net
Asset derivatives														
Derivatives designated as hedging instruments:														
Derivatives designated as hedging instruments:														
Derivatives designated as hedging instruments:														

Interest rate contracts 3
Interest rate contracts 3
Interest rate contracts 3
Interest rate contracts 4
Foreign currency contracts
3
Foreign currency contracts
4
Commodity contracts 3
Commodity contracts 4
Total
Derivatives not designated as hedging instruments:
Interest rate contracts 3
Interest rate contracts 3
Interest rate contracts 3
Foreign currency contracts 3
Foreign currency contracts 3
Foreign currency contracts 3
Commodity contracts 3
Commodity contracts 3
Commodity contracts 3
Commodity contracts 4
Total
Total asset derivatives
Liability derivatives
Liability derivatives
Liability derivatives
Derivatives designated as hedging instruments:
Derivatives designated as hedging instruments:
Derivatives designated as hedging instruments:
Interest rate contracts 5
Interest rate contracts 5
Interest rate contracts 5
Interest rate contracts 6
Foreign currency contracts
5
Foreign currency contracts
6
Commodity contracts 5
Commodity contracts 5
Commodity contracts 5
Commodity contracts 6
Total
Derivatives not designated as hedging instruments:
Interest rate contracts 5
Interest rate contracts 5
Interest rate contracts 5

Foreign currency contracts 5
Foreign currency contracts 5
Foreign currency contracts 5
Commodity contracts 5
Commodity contracts 5
Commodity contracts 5
Commodity contracts 6
Total
Total liability derivatives

1. Counterparty and cash collateral amounts represent the estimated net settlement amount when applying netting and set-off rights included in master netting arrangements between the Company and its counterparties and the payable or receivable for cash collateral held or placed with the same counterparty.
2. Represents the net amounts included in the consolidated balance sheets.
3. Included in "Other current assets" in the consolidated balance sheets.
4. Included in "Deferred charges and other assets" in the consolidated balance sheets.
5. Included in "Accrued and other current liabilities" in the consolidated balance sheets.
6. Included in "Other noncurrent obligations" in the consolidated balance sheets.

Assets and liabilities related to forward contracts, interest rate swaps, currency swaps, options and other conditional or exchange contracts executed with the same counterparty under a master netting arrangement are netted. Collateral accounts are netted with corresponding assets or liabilities, when applicable. The Company posted cash collateral of \$16 million at **June 30, 2024** September 30, 2024 (\$22 million at December 31, 2023). There was zero cash collateral posted by counterparties with the Company at **June 30, 2024** September 30, 2024 and December 31, 2023.

The following table summarizes the gain (loss) of derivative instruments in the consolidated statements of income and comprehensive income for the three and **six** nine months ended **June 30, 2024** September 30, 2024 and 2023:

		Effect of Derivative Instruments												
		Effect of Derivative Instruments		Effect of Derivative Instruments		Effect of Derivative Instruments		Effect of Derivative Instruments		Effect of Derivative Instruments		Effect of Derivative Instruments		
Effect of Derivative Instruments	Effect of Derivative Instruments	Three Months Ended		Three Months Ended		Three Months Ended		Six Months Ended		Nine Months Ended		Three Months Ended		
		Three Months Ended	Jun 30, 2024	Three Months Ended	Jun 30, 2023	Three Months Ended	Jun 30, 2024	Three Months Ended	Jun 30, 2023	Nine Months Ended	Sep 30, 2024	Three Months Ended	Sep 30, 2023	
In millions	In millions	Jun 30, 2024	Jun 30, 2023	In millions	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023						
<i>Derivatives designated as hedging instruments:</i>														
Fair value hedges:														
Fair value hedges:														
Fair value hedges:														
Interest rate contracts 3														
Interest rate contracts 3														
Interest rate contracts 3														
Excluded components 3, 4														
Excluded components 3, 4														
Excluded components 3, 4														
Cash flow hedges:														
Cash flow hedges:														
Cash flow hedges:														
Interest rate contracts 3														

Interest rate contracts 3
Interest rate contracts 3
Foreign currency contracts 5
Foreign currency contracts 5
Foreign currency contracts 5
Commodity contracts 5
Commodity contracts 5
Commodity contracts 5
Excluded components 4, 5
Excluded components 4, 5
Excluded components 4, 5
Net foreign investment hedges:
Net foreign investment hedges:
Net foreign investment hedges:
Foreign currency contracts
Foreign currency contracts
Foreign currency contracts
Excluded components 4, 6
Excluded components 4, 6
Excluded components 4, 6
Total derivatives designated as hedging instruments
Total derivatives designated as hedging instruments
Total derivatives designated as hedging instruments
<i>Derivatives not designated as hedging instruments:</i>
<i>Derivatives not designated as hedging instruments:</i>
<i>Derivatives not designated as hedging instruments:</i>
Interest rate contracts 3
Interest rate contracts 3
Interest rate contracts 3
Foreign currency contracts 6
Foreign currency contracts 6
Foreign currency contracts 6
Commodity contracts 5
Commodity contracts 5
Commodity contracts 5
Total return swap 5
Total return swap 5
Total return swap 5
Total derivatives not designated as hedging instruments
Total derivatives not designated as hedging instruments
Total derivatives not designated as hedging instruments
Total derivatives
Total derivatives

Total derivatives

1. OCI is defined as other comprehensive income (loss).
2. Pretax amounts.
3. Included in "Interest expense and amortization of debt discount" in the consolidated statements of income.
4. The excluded components are related to the time value of the derivatives designated as hedges.
5. Included in "Cost of sales" in the consolidated statements of income.
6. Included in "Sundry income (expense) - net" in the consolidated statements of income.

The following table provides the net after-tax gain (loss) expected to be reclassified from AOCL to income within the next 12 months:

Expected Reclassifications from AOCL within the next 12 months		Jun Sep 30, 2024
In millions		
Cash flow hedges:		
Interest rate contracts		\$ (4)
Commodity contracts		\$ 11
Foreign currency contracts		\$ 2 (1)
Excluded components		\$ (4) (5)
Net foreign investment hedges:		
Excluded components		\$ 45

NOTE 19.20 – FAIR VALUE MEASUREMENTS

A summary of the Company's recurring and nonrecurring fair value measurements can be found in Note 21 to the Consolidated Financial Statements included in the 2023 10-K.

Fair Value Measurements on a Recurring Basis

The following table summarizes the bases used to measure certain assets and liabilities at fair value on a recurring basis:

Fair Value Measurements on a Recurring Basis		Jun 30, 2024			Dec 31, 2023			Sep 30, 2024			Dec 31, 2023			
In millions	In millions	Fair Value Level	Cost	Gain	Loss	Fair Value Cost	In millions	Fair Value Level	Cost	Gain	Loss	Fair Value Cost	In millions	Fair Value Level
Assets at fair value:														
Cash equivalents:														
Cash equivalents:														
Cash equivalents:														
Held-to-maturity securities ¹														
Held-to-maturity securities ¹														
Held-to-maturity securities ¹														
Money market funds														
Marketable securities ²														
Nonconsolidated affiliates ³														
Other investments:														
Debt securities: ⁴														
Debt securities: ⁴														
Debt securities: ⁴														
Government debt ⁵														
Government debt ⁵														
Government debt ⁵														

Corporate bonds
Corporate bonds
Corporate bonds
Equity securities ^{4, 6}
Derivatives relating to: ⁷
Interest rates
Interest rates
Interest rates
Foreign currency
Commodities
Commodities
Total assets at fair value
Liabilities at fair value:
Long-term debt including debt due within one year ⁸
Long-term debt including debt due within one year ⁸
Long-term debt including debt due within one year ⁸
Guarantee liability ⁹
Derivatives relating to: ⁷
Interest rates
Interest rates
Interest rates
Foreign currency
Commodities
Commodities
Total liabilities at fair value

1. The Company's held-to-maturity securities are primarily treasury bills and time deposits. At **June 30, 2024** **September 30, 2024**, **\$103** **\$66** million is included in "Cash and cash equivalents" (\$485 million at December 31, 2023) and **\$20** **\$39** million is included in "Other current assets" (zero at December 31, 2023) in the consolidated balance sheets.
2. The Company's investments in marketable securities are included in "Other current assets" in the consolidated balance sheets.
3. Estimated asset for an investment in a limited liability company included in "Investment in nonconsolidated affiliates" in the consolidated balance sheets.
4. The Company's investments in debt securities, which are primarily available-for-sale, and equity securities are included in "Other investments" in the consolidated balance sheets.
5. U.S. Treasury obligations, U.S. agency obligations, U.S. agency mortgage-backed securities and other municipalities' obligations.
6. Equity securities with a readily determinable fair value.
7. See Note **18** **19** for classification of derivatives in the consolidated balance sheets.
8. Cost includes fair value hedge adjustment gains of **\$18** **\$70** million at **June 30, 2024** **September 30, 2024** and \$49 million at December 31, 2023 on \$5,129 million of debt at **June 30, 2024** **September 30, 2024** and \$4,479 million at December 31, 2023.
9. Estimated liability for TDCC's guarantee of Sadara's debt which is included in "Other noncurrent obligations" in the consolidated balance sheets.

Cost approximates fair value for all other financial instruments.

For equity securities calculated at net asset value per share (or its equivalent), the Company had **\$85** **\$90** million in private market securities and \$16 million in real estate at **June 30, 2024** **September 30, 2024** (\$86 million in private market securities and \$18 million in real estate at December 31, 2023). There are no redemption restrictions and the unfunded commitments on these investments were **\$84** million at **September 30, 2024** and **\$75** million at **June 30, 2024** and December 31, 2023.

For assets classified as Level 3 measurements, fair value is based on significant unobservable inputs including assumptions where there is little, if any, market activity. The level 3 asset values represent the fair value of an investment in a corporate bond, accounted for as a debt security. At December 31, 2023, the level 3 asset values also included an investment in a limited liability company, accounted for as an investment in nonconsolidated affiliates, and with no unfunded commitment.

For liabilities classified as Level 3 measurements, fair value is based on significant unobservable inputs including assumptions where there is little, if any, market activity. The fair value of the Company's accrued liability related to the guarantee of Sadara's debt is in proportion to the Company's 35 percent ownership interest in Sadara. The estimated fair value of the guarantee was calculated using a "with" and "without" method. The fair value of the debt was calculated "with" the guarantee less the fair value of the debt "without"

the guarantee. The "with" and "without" values were calculated using a discounted cash flow method based on contractual cash flows as well as projected prepayments made on the debt by Sadara.

Fair Value Measurements on a Nonrecurring Basis

In the first quarter of 2024, the Company recognized impairment charges of **\$37 million** **\$37 million** related primarily to write-downs of certain manufacturing assets in the United States and Italy. The assets, classified as Level 3 measurements, were valued at **\$60 million** **\$60 million** using unobservable inputs. The impairment charges were included in "Restructuring and asset related charges - net" in the consolidated statements of income and related to Packaging & Specialty Plastics.

In the first quarter of 2024, as part of the 2023 Restructuring Program, the Company recorded impairment charges of **\$8 million** **\$8 million** for asset write-downs and write-offs related to the shutdown of certain polyurethanes assets, included in "Restructuring and asset related charges - net" in the consolidated statements of income and related to Industrial Intermediates & Infrastructure.

In the third quarter of 2024, as part of the 2023 Restructuring Program, the Company recorded impairment charges of **\$7 million** for asset write-downs and write-offs related to the shutdown of certain silicones assets, included in "Restructuring and asset related charges - net" in the consolidated statements of income and related to Performance Materials & Coatings. Additionally, the Company recorded impairment charges of **\$1 million** for asset write-downs and write-offs, included in "Restructuring and asset related charges - net" in the consolidated statements of income and related to Corporate.

NOTE 2021 – SEGMENTS AND GEOGRAPHIC REGIONS

Dow's measure of profit/loss for segment reporting purposes is Operating EBIT as this is the manner in which the Company's chief operating decision maker assesses performance and allocates resources. The Company defines Operating EBIT as earnings (i.e., "Income before income taxes") before interest, excluding the impact of significant items. Operating EBIT by segment includes all operating items relating to the businesses; items that principally apply to Dow as a whole are assigned to Corporate.

Segment Information	Segment Information	Pack. & Spec. Plastics	Ind. Interm. & Infrast.	Perf. Materials & Coatings	Corp.	Total	Segment Information	Pack. & Spec. Plastics	Ind. Interm. & Infrast.	Perf. Materials & Coatings	Corp.	Total
In millions												
<i>Three months ended Jun 30, 2024</i>												
Net sales												
Net sales												
Net sales												
Equity in earnings (losses) of nonconsolidated affiliates												
Dow Inc. Operating EBIT 1												
<i>Three months ended Jun 30, 2023</i>												
Net sales												
Net sales												
Net sales												
Equity in earnings (losses) of nonconsolidated affiliates												
Dow Inc. Operating EBIT 1												
<i>Six months ended Jun 30, 2024</i>												
Nine months ended Sep 30, 2024												
Net sales												
Net sales												
Net sales												
Equity in earnings (losses) of nonconsolidated affiliates												
Dow Inc. Operating EBIT 1												
<i>Six months ended Jun 30, 2023</i>												
Nine months ended Sep 30, 2023												
Net sales												
Net sales												
Net sales												
Equity in earnings (losses) of nonconsolidated affiliates												
Dow Inc. Operating EBIT 1												
<i>Six months ended Jun 30, 2023</i>												
Nine months ended Sep 30, 2023												

Net sales
Net sales
Net sales
Equity in earnings (losses) of nonconsolidated affiliates
Dow Inc. Operating EBIT ¹

1. Operating EBIT for TDCC for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023 is substantially the same as that of Dow Inc. and therefore has not been disclosed separately in the table above. A reconciliation of "Net income" to Operating EBIT is provided in the following table.

Reconciliation of "Net income" to Operating EBIT	Reconciliation of "Net income" to Operating EBIT	Three Months Ended		Six Months Ended		Reconciliation of "Net income" to Operating EBIT	Three Months Ended		Nine Months Ended		
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		in millions	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
in millions	in millions										
Net income											
+ Provision for income taxes											
Income before income taxes											
- Interest income											
+ Interest expense and amortization of debt discount											
- Significant items											
Operating EBIT											

The following tables summarize the pretax impact of significant items by segment excluded from Operating EBIT:

Significant Items by Segment	Significant Items by Segment	Three Months Ended Jun 30, 2024				Six Months Ended Jun 30, 2024				Significant Items by Segment	Three Months Ended Sep 30, 2024				Nine Months Ended Sep 30, 2024			
		Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total	Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total		Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total	Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total
in millions																		
Restructuring, implementation and efficiency costs, and asset related charges - net ¹																		
Indemnification and other transaction related costs ²																		
Indemnification and other transaction related costs ²																		
Indemnification and other transaction related costs ²																		
Total																		
Total																		
Total																		

1. Includes restructuring charges and implementation and efficiency costs associated with the Company's 2023 Restructuring Program. The **six three and nine** months ended **June 30, 2024** **September 30, 2024** also **includes** include impairment charges related to the write-down of certain manufacturing assets. See Note 5 for additional information.

2. Includes a charge related to an arbitration settlement agreement for historical product claims from a divested business. See Note 13 for additional information.

Significant Items by Segment	Significant Items by Segment	Three Months Ended Jun 30, 2023				Six Months Ended Jun 30, 2023				Significant Items by Segment	Three Months Ended Sep 30, 2023				Nine Months Ended Sep 30, 2023			
		Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total	Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total		Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total	Pack. & Spec.	Ind. Infrast.	Perf. Mat. & Coatings	Corp. Total

In millions	Plastics & Infrast.	Coatings						
Restructuring, implementation and efficiency costs, and asset related charges - net ¹								
Litigation related charges, awards and adjustments ²								
Indemnification and other transactions related costs ³								
Total								

1. Includes restructuring charges and implementation and efficiency costs associated with the Company's 2023 Restructuring Program. The ~~June 30, 2023~~ September 30, 2023 also includes certain gains and losses associated with previously impaired equity investments.

2. Includes a loss associated with legacy agricultural products groundwater contamination matters. See Note ~~12~~ 13 for additional information.

3. Primarily related to charges associated with agreements entered into with DuPont and Corteva as part of the separation and distribution which, among other matters, provides for cross-indemnities and allocations of obligations and liabilities for periods prior to, at and after the completion of the separation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Quarterly Report on Form 10-Q is a combined report being filed by Dow Inc. and The Dow Chemical Company and its consolidated subsidiaries ("TDCC" and together with Dow Inc., "Dow" or the "Company") due to the parent/subsidiary relationship between Dow Inc. and TDCC. The information reflected in the report is equally applicable to both Dow Inc. and TDCC, except where otherwise noted. Each of Dow Inc. and TDCC is filing information in this report on its own behalf and neither company makes any representation to the information relating to the other company.

Pursuant to General Instruction H(1)(a) and (b) for Form 10-Q "Omission of Information by Certain Wholly-Owned Subsidiaries," TDCC is filing this Form 10-Q with a reduced disclosure format.

Except as otherwise indicated by the context, the term "Union Carbide" means Union Carbide Corporation and the term "Dow Silicones" means Dow Silicones Corporation, both wholly owned subsidiaries of the Company. Additionally, the term "EMEA" refers to the geographic region of Europe, Middle East, Africa and India.

Dow's website and its content are not deemed incorporated by reference into this report.

OUTLOOK

~~In the second half~~ The Company continues to operate with discipline as it capitalizes on areas of ~~the year~~, the Company is focused on continuing to deliver sequential earnings improvements while navigating through the slower macro environment. While near-term demand in many markets Dow serves is growing, building strength and construction and consumer durables are unlikely to significantly change in 2024. Dow will continue driving higher sales through its innovation portfolio and diverse product mix. By leveraging its global scale ~~strategically~~ and advantaged cost ~~positions~~, and positions. As cycle dynamics improve, the Company remains well-positioned to enable higher returns to shareholders. The Company's financial strength will continue to support its counter-cyclical growth investments, which are focused on higher-value businesses and regions, particularly where demand is resilient and the Company ~~remains on track~~ has a competitive cost advantage. Altogether, these investments are expected to enable ~~higher~~ deliver more than \$3 billion in underlying earnings and shareholder returns to the Company by 2030.

OVERVIEW

The following is a summary of the results for the three months ended ~~June 30, 2024~~ September 30, 2024:

- The Company reported net sales in the ~~second~~ third quarter of 2024 of \$10.9 billion, ~~down 4~~ up 1 percent from ~~\$11.4~~ \$10.7 billion in the ~~second~~ third quarter of 2023, with decreases across all geographic regions and mixed by operating segment; Packaging & Specialty Plastics and ~~(up 1 percent)~~, Industrial Intermediates & Infrastructure ~~(both down 7~~ (down 2 percent) and Performance Materials & Coatings ~~(up 24 percent)~~.
- Local price decreased 4 percent compared with ~~Net sales increased in the second quarter of 2023, with U.S. & Canada and EMEA (both up 5 percent)~~, partially offset by decreases across all operating segments and geographic regions; Packaging & Specialty Plastics and Performance Materials & Coatings ~~(both down 4~~ in Asia Pacific ~~(down 9 percent)~~ and Industrial Intermediates & Infrastructure Latin America ~~(down 72 percent)~~.
- Volume increased 1 percent compared with the ~~second~~ third quarter of 2023 and was mixed by operating segment; Packaging & Specialty Plastics ~~(down 3 percent)~~ (flat), Industrial Intermediates & Infrastructure ~~(up 1~~ (down 2 percent) and Performance Materials & Coatings ~~(up 75 percent)~~. Volume increased in the U.S. & Canada ~~(up and~~

EMEA (both up 3 percent) and decreased in Asia Pacific (up 1 down 6 percent) and was flat in Latin America and EMEA America.

- Currency had an unfavorable impact of 1 percent on net sales Local price was flat compared with the second third quarter of 2023, driven and mixed by operating segment; Packaging & Specialty Plastics (up 1 percent), Industrial Intermediates & Infrastructure (flat) and Performance Materials & Coatings (down 1 percent). Local price increased in the U.S. & Canada and EMEA (both up 2 percent) and decreased in Asia Pacific (down 3 percent) and EMEA (down 1 Latin America (both down 2 percent).
- Equity in earnings of nonconsolidated affiliates was \$26 \$2 million in the second third quarter of 2024, compared with equity in losses of nonconsolidated affiliates of \$57 \$7 million in the second third quarter of 2023, primarily due to improved results at the Company's Kuwait joint ventures, partially offset by lower results at the Company's Thai and Sadara joint ventures.
- Net income available for Dow Inc. and TDCC common stockholder(s) was \$439 \$214 million and \$441 \$224 million, respectively, in the second third quarter of 2024, compared with \$485 \$302 million and \$487 \$285 million, respectively, in the second third quarter of 2023. Earnings per share for Dow Inc. was \$0.62 \$0.30 in the second third quarter of 2024, compared with \$0.68 \$0.42 per share in the second third quarter of 2023.
- Cash provided by operating activities - continuing operations was \$832 million \$800 million in the second third quarter of 2024, down \$515 \$858 million compared with the second third quarter of 2023. Cash provided by operating activities - continuing operations was up \$372 million down \$32 million compared with the first second quarter of 2024.
- On April 2, 2024, the Company announced that Mauro Gregorio, President of Performance Materials & Coatings, had elected to retire in the third quarter of 2024 after 40 years of service.

- On April 2, 2024, the Company announced that Brendy Lange, business vice president of Dow Industrial Solutions, was named President of Performance Materials & Coatings.
- On April 11, 2024, Dow Inc. announced that its Board declared a dividend repurchased \$94 million of \$0.70 per share, payable on June 14, 2024, to shareholders of record as of May 31, 2024.
- On May 2, 2024, the Company announced it entered into a definitive agreement to sell its flexible packaging laminating adhesives business, within Packaging & Specialty Plastics, to Arkema S.A. with a transaction value of approximately \$150 million.
- On May 16, 2024, the Company announced it will expand its Protect the Climate targets by setting distinct milestones for climate change mitigation that focus on water and nature conservation. Additional information can be found on the Company's website.
- On June 18, 2024, Dow Inc. released its INtersections Report, highlighting how the Company is advancing its ambition to be the most innovative, customer-centric, inclusive and sustainable materials science company common stock in the world. Additional information can be found on the Company's website.
- On June 20, 2024, the Company announced it signed an agreement to acquire Circulus Holdings, PBLLC, a U.S. company that recycles plastic waste into post-consumer resin, with a total capacity of 50,000 metric tons per year.

In addition, the following events occurred subsequent to the second third quarter of 2024: 2024.

- On July 1, 2024, Fitch Ratings affirmed TDCC's BBB+ and F1 rating, and affirmed its outlook of stable. Also on July 1, 2024, Standard & Poor's affirmed TDCC's BBB and A-2 rating, and affirmed its outlook of stable.
- On August 1, 2024, the Company acquired Circulus Holdings, PBLLC, a U.S. mechanical recycling company that converts plastic waste into post-consumer resin, for approximately \$130 million.
- On August 6, 2024, Moody's Ratings affirmed TDCC's Baa1 and P-2 rating, and affirmed its outlook of stable.
- On August 14, 2024, Dow Inc. announced that its Board declared a dividend of \$0.70 per share, payable on September 13, 2024, to shareholders of record as of August 30, 2024.

In addition, the following events occurred subsequent to the third quarter of 2024:

- On October 10, 2024, Dow Inc. announced that its Board declared a dividend of \$0.70 per share, payable on December 13, 2024, to shareholders of record as of November 29, 2024.
- On October 24, 2024, the Company announced that it will complete a strategic review of select assets in Europe, primarily certain polyurethanes assets within the Industrial Intermediates & Infrastructure segment, as part of an effort to continue to optimize its global asset footprint.

RESULTS OF OPERATIONS

Net Sales

The following tables summarize net sales and sales variances by operating segment and geographic region from the prior year:

Summary of Sales Results In millions	Summary of Sales Results In millions	Three Months Ended		Six Months Ended		Summary of Sales Results In millions	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023

Net sales

Sales Variances by Operating Segment and Geographic Region		Sales Variances by Operating Segment and Geographic Region		Three Months Ended Jun 30, 2024				Six Months Ended Jun 30, 2024				Sales Variances by Operating Segment and Geographic Region		Three Months Ended Sep 30, 2024				Nine Months Ended Sep 30, 2024			
				Local Price & Product		Local Price & Product		Local Price & Product		Local Price & Product				Local Price & Product		Local Price & Product		Local Price & Product			
				Mix	Currency	Volume	Total	Mix	Currency	Volume	Total			Mix	Currency	Volume	Total	Mix	Currency	Volume	Total
Percentage change from prior year		Packaging & Specialty Plastics	Packaging & Specialty Plastics	(4) %	— %	(3) %	(7) %	(6) %	— %	(3) %	(9) %	Packaging & Specialty Plastics	Packaging & Specialty Plastics	1 %	— %	— %	1 %	(4) %	— %	(2) %	(6) %
Industrial Intermediates & Infrastructure																					
Performance Materials & Coatings																					
Total	Total	(4) %	(1) %	1 %	(4) %	(7) %	(1) %	1 %	(7) %	Total	— %	— %	1 %	1 %	(5) %	— %	1 %	(4) %			
Total, excluding the Hydrocarbons & Energy business	Total, excluding the Hydrocarbons & Energy business	(6) %	(1) %	4 %	(3) %	(8) %	(1) %	4 %	(5) %	Total, excluding the Hydrocarbons & Energy business	— %	— %	2 %	2 %	(5) %	(1) %	3 %	(3) %			
U.S. & Canada																					
U.S. & Canada		(4) %	— %	3 %	(1) %	(6) %	— %	2 %	(4) %		2 %	— %	3 %	5 %	(4) %	— %	2 %	(2) %			
EMEA																					
Asia Pacific																					
Latin America																					
Total	Total	(4) %	(1) %	1 %	(4) %	(7) %	(1) %	1 %	(7) %	Total	— %	— %	1 %	1 %	(5) %	— %	1 %	(4) %			

Net sales in the second third quarter of 2024 were \$10.9 billion, up 1 percent from \$10.7 billion in the third quarter of 2023. Volume was up 1 percent and local price was flat. Net sales increased in all operating segments except Industrial Intermediates & Infrastructure. Volume increased 1 percent, driven by the U.S. & Canada and EMEA (both up 3 percent), partially offset by a decline in Asia Pacific (down 6 percent), and Latin America was flat. Volume was flat in Packaging & Specialty Plastics, decreased in Industrial Intermediates & Infrastructure (down 2 percent), and increased in Performance Materials & Coatings (up 5 percent). Local price remained flat, with gains in the U.S. & Canada and EMEA (both up 2 percent) offset by declines in Asia Pacific and Latin America (both down 2 percent). Local price increased in Packaging & Specialty Plastics (up 1 percent), was flat in Industrial Intermediates & Infrastructure, and declined in Performance Materials & Coatings (down 1 percent). Excluding the Hydrocarbons & Energy business, net sales increased 2 percent.

Net sales for the first nine months of 2024 were \$32.6 billion, down 4 percent from \$34.0 billion in the second quarter of 2023, same period last year, with local price down 4 percent, volume up 15 percent and an unfavorable currency impact of volume up 1 percent. Net sales decreased in all geographic regions and all operating segments except Performance Materials & Coatings, and across which was flat. Local price decreased in all geographic regions. Local price decreased regions and in Packaging & Specialty Plastics (down 4 percent), Industrial Intermediates & Infrastructure (down 7 percent), and Performance Materials & Coatings (down 4 percent), and in all geographic regions. Volume increased in the U.S. & Canada, and Asia Pacific and was flat in EMEA and Latin America, all other geographic regions. Volume decreased in Packaging & Specialty Plastics (down 32 percent), and increased in Industrial Intermediates & Infrastructure (up 1 percent) and Performance Materials & Coatings (up 7 percent). Currency unfavorably impacted net sales by 1 percent, driven by Asia Pacific (down 3 percent) and EMEA (down 15 percent). Excluding the Hydrocarbons & Energy business, net sales decreased 3 percent.

Net sales for the first six months of 2024 were \$21.7 billion, down 7 percent from \$23.3 billion in the same period last year, with local price down 7 percent, volume up 1 percent and an unfavorable currency impact of 1 percent. Net sales decreased in all operating segments and geographic regions. Local price decreased in all geographic regions and in Packaging & Specialty Plastics (down 6 percent), Industrial Intermediates & Infrastructure (down 11 percent), and Performance Materials & Coatings (down 6 percent), driven by lower global feedstock and energy costs. Volume increased in all geographic regions except EMEA. Volume decreased in Packaging & Specialty Plastics (down 3 percent), and increased in Industrial Intermediates & Infrastructure (up 3 percent) and Performance Materials & Coatings (up 5 percent). Currency unfavorably impacted net sales by 1 percent, driven by Asia Pacific. Excluding the Hydrocarbons & Energy business, net sales decreased 5 percent.

Cost of Sales

Cost of sales ("COS") was \$9.6 billion in the second third quarter of 2024, compared with \$9.9 billion in the second third quarter of 2023. For the first six nine months of 2024, COS was \$19.1 billion compared with \$20.5 billion in the first six nine months of 2023. COS for the three and six months ended June 30, 2024 September 30,

2024 increased on higher volume and a charge related to an arbitration settlement agreement for historical product claims from a divested business, and was partially offset by lower global energy and feedstock costs. COS for the nine months ended September 30, 2024 decreased primarily due to lower raw material costs, lower global energy and feedstock costs and the impact of structural cost improvements, partially offset by increased planned maintenance turnaround spending, spending and a charge related to an arbitration settlement agreement for historical product claims from a divested business. COS as a percentage of net sales was 87.9 90.2 percent in the second third quarter of 2024 (86.5 89.4 percent in the second third quarter of 2023) and 88.0 88.7 percent for the first six nine months of 2024 (88.1 88.5 percent for the first six nine months of 2023), reflecting lower sales driven by a decrease in local price.

Research and Development Expenses

Research and development ("R&D") expenses totaled \$196 \$208 million in the second third quarter of 2024, compared with \$205 \$197 million in the second third quarter of 2023. R&D expenses decreased in the second quarter of 2024 primarily due to lower performance-based compensation costs. R&D expenses for the first six months of 2024 were \$400 million compared with \$419 million in the first six months of 2023. R&D expenses for the first six nine months of 2024 decreased primarily due to lower fringe benefit expense, were \$608 million compared with \$616 million in the impact first nine months of structural cost improvements, and lower performance based compensation costs. 2023.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses totaled \$390 \$396 million in the second third quarter of 2024, compared with \$408 \$380 million in the second third quarter of 2023. SG&A expenses decreased increased in the second third quarter of 2024 primarily due to lower higher bad debt expense and performance-based compensation costs and the impact of structural cost improvements costs. For the first six nine months of 2024, SG&A expenses were \$832 \$1,228 million, compared with \$836 \$1,216 million in the first six nine months of 2023. SG&A expenses for the first six nine months of 2024 decreased increased primarily due to the impact of structural cost improvements and lower performance based compensation costs, which were partially offset by higher bad debt expense, including expense incurred as a result of a resolution of a dispute with a customer. customer, which was partially offset by the impact of structural cost improvements.

Amortization of Intangibles

Amortization of intangibles was \$77 \$76 million in the second third quarter of 2024 compared with \$81 million in the second third quarter of 2023. In the first six nine months of 2024, amortization of intangibles was \$158 \$234 million, compared with \$162 \$243 million in the first six nine months of 2023.

Equity in Earnings (Losses) of Nonconsolidated Affiliates

The Company's share of equity in earnings of nonconsolidated affiliates was \$26 \$2 million in the second third quarter of 2024, compared with equity in losses of nonconsolidated affiliates of \$57 \$7 million in the second third quarter of 2023, an increase of \$83 million, \$9 million, primarily due to improved performance and lower planned maintenance turnaround activity at the Kuwait joint ventures and slightly offset by lower results at the Sadara and Thai joint ventures. The Company's share of equity in earnings of nonconsolidated affiliates was \$43 million \$45 million for the first six nine months of 2024, compared with equity in losses of nonconsolidated affiliates of \$105 \$112 million for the first six nine months of 2023, primarily due to improved performance and lower planned maintenance turnaround activity at the Kuwait and Sadara joint ventures and slightly offset by lower results at the Thai joint ventures. Cash dividends from nonconsolidated affiliates were \$199 \$266 million in the first six nine months of 2024, compared with \$162 \$188 million in the first six nine months of 2023.

Sundry Income (Expense) – Net

Sundry income (expense) - net for the three months ended June 30, 2024 September 30, 2024 was income of \$76 \$119 million and \$74 \$118 million for Dow Inc. and TDCC, respectively, compared with income of \$31 \$92 million and \$29 \$71 million, respectively, for the three months ended June 30, 2023 September 30, 2023. The second quarter of 2024 and 2023 included non-operating pension and postretirement benefit plan credits and increase in sundry income is primarily due to higher gains on the sales of assets and investments which were partially offset by foreign currency exchange losses. The increase in sundry income is primarily due to and lower foreign currency exchange losses, which were partially offset by a decrease in non-operating pension and postretirement benefit plan credits.

Sundry income (expense) - net for the six nine months ended June 30, 2024 September 30, 2024 was income of \$137 \$256 million and \$135 \$253 million for Dow Inc. and TDCC, respectively, compared with income of \$110 \$202 million and \$98 \$169 million, respectively, for the six nine months ended June 30, 2023 September 30, 2023. The first six months of 2024 and 2023 included non-operating pension and postretirement benefit plan credits and gains on the sales of assets and investments, which were partially offset by foreign currency exchange losses. The increase in sundry income is primarily due to lower foreign currency exchange losses and higher gains on the sales of assets and investments, which were partially offset by a decrease in non-operating pension and postretirement benefit plan credits and gains on sales of other assets and investments credits.

Interest Expense and Amortization of Debt Discount

Interest expense and amortization of debt discount was \$197 \$199 million in the second third quarter of 2024, compared with \$172 \$192 million in the second third quarter of 2023. Interest expense and amortization of debt discount was \$396 \$595 million in the first six nine months of 2024 compared with \$357 \$549 million in the first six nine months of 2023. The increase in interest expense is primarily due to borrowings outside of the United States and \$1.25 billion of senior unsecured notes issued in the first quarter of 2024.

Provision for Income Taxes

The Company's effective tax rate fluctuates based on, among other factors, where income is earned, the level of income relative to tax attributes and the level of equity earnings, since most earnings from the Company's equity method investments are taxed at the joint venture level. In the second third quarter of 2024, the Company reported a provision for income taxes of \$150 \$84 million, resulting in an effective tax rate of 24.7 25.9 percent and 24.6 25.1 percent for Dow Inc. and TDCC, respectively. In the second third quarter of 2023, the Company reported a provision for income taxes of \$210 \$90 million, resulting in an effective tax rate of 29.5 21.6 percent and 22.5 percent for Dow Inc. and TDCC, respectively. For the first six nine months of 2024, the Company reported a provision for income taxes of \$61 \$145 million, resulting in an effective tax rate of 5.8 10.5 percent and 5.7 10.4 percent for Dow Inc. and TDCC, respectively. For the first six nine months of 2023, the Company reported a provision for income taxes of \$163 \$253 million, resulting in an effective tax rate of 27.6 25.1 percent and 27.8 25.7 percent for Dow Inc. and TDCC, respectively. See Note 7 to the Consolidated Financial Statements for additional information about the Company's income taxes and effective tax rates.

The Company continues to monitor and evaluate legislative developments related to the Global Anti-Base Erosion Proposal Regime ("GloBE") established by the Organization of Economic Cooperation and Development's ("OECD") Pillar Two framework. Several countries in which the Company operates have adopted GloBE into their legislation and several others are expected to enact these rules in the future. To date, such legislation has not materially impacted the Company's effective tax rate.

Net Income Available for Common Stockholder(s)

Dow Inc.

Net income available for Dow Inc. common stockholders was \$439 \$214 million, or \$0.62 \$0.30 per share, in the second third quarter of 2024, compared with \$485 \$302 million, or \$0.68 \$0.42 per share, in the second third quarter of 2023. Net income available for Dow Inc. common stockholders was \$955 million, \$1,169 million, or \$1.35 \$1.65 per share, in the first six nine months of 2024, compared with \$392 million, \$694 million, or \$0.54 \$0.97 per share, in the first six nine months of 2023. See Note 89 to the Consolidated Financial Statements for details on Dow Inc.'s earnings per share calculations.

TDCC

Net income available for the TDCC common stockholder was \$441 \$224 million in the second third quarter of 2024, compared with \$487 \$285 million in the second third quarter of 2023. Net income available for the TDCC common stockholder was \$962 \$1,186 million in the first six nine months of 2024, compared with \$387 \$672 million in the first six nine months of 2023. TDCC's common shares are owned solely by Dow Inc.

SEGMENT RESULTS

For further discussion of the Company's segments, see Part I, Item 1. Business of the combined Dow Inc. and TDCC Annual Report on Form 10-K for the fiscal year ended December 31, 2023 ("2023 10-K"), filed with the SEC on January 31, 2024.

Dow's measure of profit/loss for segment reporting purposes is Operating EBIT as this is the manner in which the Company's chief operating decision maker assesses performance and allocates resources. The Company defines Operating EBIT as earnings (i.e., "income before income taxes") before interest, excluding the impact of significant items. Operating EBIT by segment includes all operating items relating to the businesses; items that principally apply to Dow as a whole are assigned to Corporate.

PACKAGING & SPECIALTY PLASTICS

Packaging & Specialty Plastics	Packaging & Specialty Plastics	Three Months Ended		Six Months Ended		Packaging & Specialty Plastics	Three Months Ended		Nine Months Ended		
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		In millions	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
Net sales											
Operating EBIT											
Equity earnings											
Packaging & Specialty Plastics		Packaging & Specialty Plastics		Three Months Ended		Six Months Ended		Packaging & Specialty Plastics		Three Months Ended	
Percentage change from prior year		Percentage change from prior year		Jun 30, 2024	Jun 30, 2024	Jun 30, 2024	Jun 30, 2024	Percentage change from prior year	Sep 30, 2024	Nine Months Ended	Sep 30, 2024
Change in Net Sales from Prior Period due to:											
Local price & product mix											
Local price & product mix											
Local price & product mix											
Currency											
Volume											
Total	Total	(7) %	(9) %	Total		1 %	(4) %	1 %	(6) %		

Packaging & Specialty Plastics net sales were \$5,515 \$5,516 million in the second third quarter of 2024, down 7 up 1 percent from net sales of \$5,940 \$5,454 million in the second third quarter of 2023, with local price up 1 percent and volume and currency flat. Local price increased in Packaging and Specialty Plastics, primarily in EMEA1 and the U.S. & Canada, driven by higher pricing of polyethylene which more than offset lower pricing of downstream polymers. Local price increased in Hydrocarbons & Energy, primarily in the U.S. & Canada and EMEA1 from third-party olefins sales. Volume increased in Packaging and Specialty Plastics due to higher demand for downstream polymers and an increase in non-recurring licensing sales, which was partially offset by lower polyethylene volumes. Volume decreased in Hydrocarbons & Energy in all geographic regions, led by the U.S. & Canada, primarily driven by lower third-party aromatics and energy sales.

Operating EBIT was \$618 million in the third quarter of 2024, up \$142 million from Operating EBIT of \$476 million in the third quarter of 2023. Operating EBIT increased due to lower raw material costs and higher selling prices, which more than offset the impact of an unplanned ethylene facility outage.

Packaging & Specialty Plastics net sales were \$16,461 million in the first nine months of 2024, down 6 percent from net sales of \$17,508 million in the first nine months of 2023, with local price down 4 percent, volume down 32 percent and currency was flat. Local price decreased in Packaging and Specialty Plastics in all geographic regions, primarily driven by lower pricing of downstream polymers and polyethylene primarily due to lower energy prices, polymers. Local price increased was flat in Hydrocarbons & Energy, primarily in EMEA1, as prices for co-products are generally correlated to Brent crude oil prices, which on average increased 9 percent compared with 2023. Energy. Volume increased in Packaging and Specialty Plastics, primarily in EMEA1 and the U.S. & Canada, due to higher downstream polymers and polyethylene demand which more than offset

a decrease in non-recurring licensing sales. Volume decreased in Hydrocarbons & Energy in all geographic regions, led by EMEAI, primarily driven by lighter feedstock cracking.

Operating EBIT was \$703 million in the second quarter of 2024, down \$215 million from Operating EBIT of \$918 million in the second quarter of 2023. Operating EBIT decreased due to lower selling prices, reduced demand, higher planned maintenance activity and lower non-recurring licensing sales, which were partially offset by lower raw material, feedstock and energy costs.

Packaging & Specialty Plastics net sales were \$10,945 million in the first six months of 2024, down 9 percent from net sales of \$12,054 million in the first six months of 2023. Local price decreased in Packaging and Specialty Plastics in all geographic regions, driven primarily by lower raw material and energy prices. Local price decreased in Hydrocarbons & Energy, primarily in Latin America and the U.S. & Canada, due to lower energy and feedstock costs. Volume increased in Packaging and Specialty Plastics, with increases in all geographic regions led by Asia Pacific, due to higher downstream polymers and polyethylene demand, which more than offset a decrease in non-recurring licensing sales. Volume decreased in Hydrocarbons & Energy primarily driven by higher internal derivative demand and lighter feedstock cracking.

Operating EBIT was \$1,308 million in the first six months of 2024, down \$252 million from Operating EBIT of \$1,560 million in the first six months of 2023. Operating EBIT decreased primarily due to lower selling prices, reduced demand and lower volumes in Hydrocarbons & Energy, higher planned maintenance costs and the impact of an unplanned ethylene facility outage, which were partially offset by lower raw material, energy and feedstock costs.

INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE

Industrial Intermediates & Infrastructure In millions	Industrial Intermediates & Infrastructure In millions	Three Months Ended		Six Months Ended		Industrial Intermediates & Infrastructure In millions	Three Months Ended		Nine Months Ended			
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023		
Net sales												
Operating EBIT												
Equity losses												
Industrial Intermediates & Infrastructure Percentage change from prior year		Industrial Intermediates & Infrastructure Percentage change from prior year		Three Months Ended	Six Months Ended	Industrial Intermediates & Infrastructure Percentage change from prior year	Three Months Ended	Nine Months Ended				
				Jun 30, 2024	Jun 30, 2024			Sep 30, 2024	Sep 30, 2024			
Change in Net Sales from Prior Period due to:												
Local price & product mix												
Local price & product mix												
Local price & product mix												
Currency												
Volume												
Total		Total		(7) %	(11) %							
				(9) %				Total	(2) %	(7) %		

Industrial Intermediates & Infrastructure net sales were \$2,962 million in the third quarter of 2024, down 2 percent from net sales of \$3,035 million in the third quarter of 2023, with volume down 2 percent and local price and currency flat. Volume decreased in Polyurethanes & Construction Chemicals and in all geographic regions except Latin America and reflected the impact of a force majeure in methylene diphenyl diisocyanate following a third-party supplier outage in the U.S. & Canada. Volume increased in Industrial Solutions, led by EMEAI and Latin America, and included the benefit of increased supply availability following the restart from an outage in 2023 related to a significant unplanned event at the Louisiana Operations Glycol-2 unit in Plaquemine, Louisiana. Local price decreased in Polyurethanes & Construction Chemicals, offset by an increase in Industrial Solutions.

Operating EBIT was a loss of \$53 million in the third quarter of 2024, down \$74 million from Operating EBIT of \$21 million in the third quarter of 2023. Operating EBIT decreased primarily due to higher planned maintenance activity and lower integrated margins, partially offset by improved equity earnings at the EQUATE joint venture.

Industrial Intermediates & Infrastructure net sales were \$2,951 million in the second quarter of 2024, down 7 percent from \$3,177 million in the first nine months of 2023, down 7 percent from \$9,590 million in the second quarter of 2023, with local price down 7 percent, volume up 1 percent and an unfavorable currency impact of 1 percent. Local price decreased in both businesses and across all geographic regions. Volume increased in Polyurethanes & Construction Chemicals, with gains in EMEAI led by building and construction and industrial applications, Latin America partially offset by declines in Asia Pacific and the U.S. & Canada which included the impact of a third-party supplier outage. Volume was flat in Industrial Solutions, with increases in Asia Pacific and EMEAI, offset by a decline in the U.S. & Canada due to an outage from 2023 related to a significant unplanned event at the Louisiana Operations Glycol-2 unit in Plaquemine, Louisiana, which successfully restarted at the end of June. Currency had an unfavorable impact on sales in both businesses, driven by EMEAI and Asia Pacific.

Operating EBIT was \$7 million in the second quarter of 2024, up \$42 million from a loss of \$35 million in the second quarter of 2023. Operating EBIT increased primarily due to lower raw material, energy and feedstock costs, improved results at the EQUATE and Sadara joint ventures, and volume gains, which were partially offset by lower selling prices

in both businesses.

Industrial Intermediates & Infrastructure net sales were \$5,959 million in the first six months of 2024, down 9 percent from \$6,555 million in the first six months of 2023. Local price decreased in both businesses and across all geographic regions. Volume increased in Polyurethanes & Construction Chemicals, led by building and construction and industrial applications primarily in EMEA. Volume decreased was flat in Industrial Solutions, primarily as increased demand for coatings and mobility applications was offset by declines in the U.S. & Canada, due to reflecting the impact from an outage from in 2023 related to a significant unplanned event at the Louisiana Operations Glycol-2 unit in Plaquemine, Louisiana, which successfully restarted at the end of June offset by increases in Asia Pacific and EMEA. Currency had an unfavorable impact on sales in both businesses, Polyurethanes & Construction Chemicals, driven by EMEA and Asia Pacific, and EMEA was flat in Industrial Solutions.

Operating EBIT was \$94 \$41 million in the first six months of 2024, up \$6 million down \$68 million from Operating EBIT of \$88 \$109 million in the first six months of 2023. Operating EBIT increased decreased primarily due to lower raw material, energy and feedstock costs and improved results at the EQUATE and Sadara joint ventures, which were partially offset by lower selling prices in both businesses and an outage from in 2023 at the Louisiana Operations Glycol-2 unit in Plaquemine, Louisiana, which successfully restarted at the end of June.

June 2024, which were partially offset by lower raw material, energy and feedstock costs and improved results at the EQUATE and Sadara joint ventures.

PERFORMANCE MATERIALS & COATINGS

Performance Materials & Coatings	Performance Materials & Coatings	Three Months Ended		Six Months Ended		Performance Materials & Coatings	Three Months Ended		Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023
In millions	In millions					In millions				
Net sales										
Operating EBIT										
Equity earnings										
Performance Materials & Coatings	Performance Materials & Coatings	Three Months Ended	Three Months Ended	Performance Materials & Coatings	Three Months Ended	Performance Materials & Coatings	Three Months Ended	Nine Months Ended		
Percentage change from prior year	Percentage change from prior year	Jun 30, 2024	Jun 30, 2024	Percentage change from prior year	Sep 30, 2024	Percentage change from prior year	Sep 30, 2024	Sep 30, 2024		
Change in Net Sales from Prior Period due to:										
Local price & product mix										
Local price & product mix										
Local price & product mix										
Currency										
Volume										
Total	Total	2 %	(2) %	Total	4 %	— %				

Performance Materials & Coatings net sales were \$2,243 \$2,214 million in the second third quarter of 2024, up 24 percent from net sales of \$2,197 \$2,130 million in the second third quarter of 2023, with volume up 75 percent, local price down 1 percent and currency was flat. Volume increased in Consumer Solutions and in all geographic regions, primarily in downstream silicones, led by home and personal care and consumer and electronics applications. Volume increased in Coatings & Performance Monomers and in all geographic regions except EMEA, primarily due to gains in industrial coatings and plastic additives which were partially offset by declines in acrylic monomers. Local price decreased in Consumer Solutions across all geographic regions and was broad-based. Local price increased in Coatings & Performance Monomers, as a result of higher raw material costs, in all geographic regions except Latin America, which was flat.

Operating EBIT was \$140 million in the third quarter of 2024, down \$39 million from Operating EBIT of \$179 million in the third quarter of 2023. Operating EBIT decreased primarily due to higher raw material costs, partially offset by improved demand.

Performance Materials & Coatings net sales were \$6,609 million in the first nine months of 2024 compared with net sales of \$6,603 million in the first nine months of 2023, with volume up 5 percent, local price down 4 percent, and an unfavorable currency impact of 1 percent. Volume increased in both businesses and in all geographic regions, driven by regions. Volume increased demand in Consumer Solutions across all end-markets. The volume increase in Coatings & Performance Monomers was broad-based and led by acrylic monomers. The volume increase monomers and industrial and architectural coatings. Price decreased in both businesses and was broad-based. Local price decreased in Consumer Solutions was led by home across all geographic regions and personal care and consumer and electronics applications. Local price decreased in Coatings & Performance Monomers in all geographic regions except Asia Pacific. Local price decreased in Consumer Solutions across all geographic regions. Currency unfavorably impacted sales in both businesses, Consumer Solutions, driven by Asia Pacific, Pacific, and was flat in Coatings & Performance Monomers.

Operating EBIT was \$146 \$327 million in the second quarter first nine months of 2024, up \$80 \$47 million from Operating EBIT of \$66 million in the second quarter of 2023. Operating EBIT increased in both businesses primarily due to improved demand, higher operating rates, and lower planned maintenance activity, which were partially offset by

lower selling prices.

Performance Materials & Coatings net sales were \$4,395 \$280 million in the first six months of 2024, down 2 percent from net sales of \$4,473 million in the first six months of 2023, with local price down 6 percent, volume up 5 percent and an unfavorable currency impact of 1 percent. Local price decreased in Consumer Solutions across all geographic regions primarily driven by unfavorable supply and demand dynamics. Local price decreased in Coatings & Performance Monomers in all geographic regions except Asia Pacific, which was flat. Volume increased in both businesses and in all geographic regions, driven by increased demand. The volume increase in Consumer Solutions was led by consumer and electronics, home and personal care, and industrial and chemical processing applications, and in Coatings & Performance Monomers the increase was led by acrylic monomers. Currency unfavorably impacted sales in both businesses, driven by Asia Pacific.

Operating EBIT was \$187 million in the first six months of 2024, up \$86 million from Operating EBIT of \$101 million in the first six nine months of 2023. Operating EBIT increased primarily due to improved demand and higher operating rates, and improved demand, which were partially offset by lower selling prices, prices and higher raw materials costs.

CORPORATE

Corporate	Corporate	Three Months Ended		Six Months Ended		Corporate	Three Months Ended		Nine Months Ended		
		In millions	In millions	Jun 30, 2024	Jun 30, 2023		Jun 30, 2024	Jun 30, 2023	In millions	Sep 30, 2024	Sep 30, 2023
Net sales											
Operating EBIT											
Equity earnings											

Net sales for Corporate, which primarily relate to the Company's insurance operations, were \$206 \$187 million in the second third quarter of 2024, an increase from net sales of \$106 \$111 million in the second third quarter of 2023. Net sales were \$381 \$568 million in the first six nine months of 2024, an increase from net sales of \$189 \$300 million in the first six nine months of 2023.

Operating EBIT was a loss of \$37 of \$64 million in the second third quarter of 2024, compared with a loss of \$64 \$50 million in the second third quarter of 2023. Operating EBIT was a loss of \$96 \$160 million in the first six nine months of 2024, compared with a loss of \$156 \$206 million in the first six nine months of 2023. Operating EBIT increased loss improved primarily due to lower environmental costs and increased income from insurance operations.

CHANGES IN FINANCIAL CONDITION

The Company had cash and cash equivalents of \$3,341 \$2,883 million at June 30, 2024 September 30, 2024 and \$2,987 million at December 31, 2023, of which \$2,090 \$1,600 million at June 30, 2024 September 30, 2024 and \$1,984 million at December 31, 2023 was held by subsidiaries in foreign countries, including U.S. territories. For each of its foreign subsidiaries, Dow makes an assertion regarding the amount of earnings intended for permanent reinvestment, with the balance available to be repatriated to the United States.

Cash held by foreign subsidiaries for permanent reinvestment is generally used to finance the subsidiaries' operational activities and future foreign investments. Dow has the ability to repatriate additional funds to the United States, which could result in an adjustment to the tax liability for foreign withholding taxes, foreign and/or U.S. state income taxes and the impact of foreign currency movements. At June 30, 2024 September 30, 2024, management believed that sufficient liquidity was available in the United States. The Company has and expects to continue repatriating certain funds from its non-U.S. subsidiaries that are not needed to finance local operations; however, these particular repatriation activities have not and are not expected to result in a significant incremental tax liability to the Company.

The Company's cash flows from operating, investing and financing activities, as reflected in the consolidated statements of cash flows, are summarized in the following table:

Cash Flow Summary	Cash Flow Summary	Dow Inc.	TDCC		Cash Flow Summary	Dow Inc.	TDCC
			Six Months Ended				
In millions	In millions	In millions	Jun 30, 2024	Jun 30, 2023	Jun 30, 2024	Jun 30, 2023	Nine Months Ended
			Sep 30, 2024	Sep 30, 2023	Sep 30, 2024	Sep 30, 2023	
Cash provided by (used for):			Sep 30, 2023				Sep 30, 2024 Sep 30, 2023
Operating activities - continuing operations							
Operating activities - continuing operations							
Operating activities - continuing operations							
Operating activities - discontinued operations							
Operating activities							
Investing activities							
Financing activities							

Cash Flows from Operating Activities

Cash provided by operating activities from continuing operations in the first **six** **nine** months of 2024 was primarily driven by the Company's cash earnings and dividends from equity method investments, which were partially offset by cash used for working capital and performance-based compensation payments. Cash provided by operating activities from continuing operations in the first **six** **nine** months of 2023 was primarily driven by the Company's cash earnings, **cash provided by working capital and dividends from equity method investments**, which were partially offset by **cash used for working capital requirements and performance-based compensation payments**.

Net Working Capital		Dow Inc.		TDCC		Net Working Capital		Dow Inc.		TDCC	
In millions	In millions	Jun 30, 2024	Dec 31, 2023	Jun 30, 2024	Dec 31, 2023	In millions	Dec 31, 2023	Sep 30, 2024	Sep 30, 2024	Dec 31, 2023	
Current assets		Dec 31, 2023	Jun 30, 2024	Dec 31, 2023			Dec 31, 2023	Sep 30, 2024	Sep 30, 2024	Dec 31, 2023	
Current liabilities											
Net working capital											
Current ratio	Current ratio	1.75:1		1.77:1	1.79:1	Current ratio		1.66:1	1.77:1	1.67:1	1.79:1

Working Capital Metrics		Working Capital Metrics		Three Months Ended		Working Capital Metrics		Three Months Ended	
				Jun 30, 2024	Mar 31, 2024			Jun 30, 2023	Sep 30, 2024
Days sales outstanding in trade receivables									
Days sales outstanding in trade receivables									
Days sales outstanding in trade receivables									
Days sales in inventory									
Days payables outstanding									

Cash provided by operating activities from discontinued operations in the first **six** **nine** months of 2024 and 2023 reflected cash payments and receipts for certain agreements and matters related to the separation from DowDuPont Inc. ("DowDuPont").

Cash Flows from Investing Activities

Cash used for investing activities in the first **six** **nine** months of 2024 and 2023 were primarily for capital expenditures and purchases of investments, which were partially offset by proceeds from sales and maturities of investments. **In addition, cash used for investing activities in the first nine months of 2024 included the acquisition of Circulus Holdings, PBLLC, a U.S. mechanical recycling company.**

The Company's capital expenditures were **\$1,437 million** **\$2,173 million** in the first **six** **nine** months of 2024, compared with **\$1,001** **\$1,598 million** in the first **six** **nine** months of 2023. The Company expects full year capital spending in 2024 to be approximately \$3 billion, which includes the ramp up of the construction of the Fort Saskatchewan Path2Zero project aligned to the Company's Decarbonize & Grow strategy. The Company expects capital spending for this key growth project to average approximately \$1 billion annually through 2029. Enterprise-wide capital spending is expected to exceed depreciation and amortization through 2027, during the first phase of the project, and average depreciation and amortization over the economic cycle. As evidenced across prior economic cycles, the Company will adjust its spending as economic conditions evolve.

Cash Flows from Financing Activities

Cash used for financing activities in the first **six** **nine** months of 2024 for Dow Inc. was primarily related to dividends paid to stockholders, purchases of treasury stock and payments on long-term debt, which were partially offset by proceeds from issuance of long-term debt. Cash used for financing activities in the first **six** **nine** months of 2024 for TDCC was primarily related to dividends paid to Dow Inc. and payments on long-term debt, which were partially offset by proceeds from issuance of long-term debt. Cash used for financing activities in the first **six** **nine** months of 2023 was primarily for debt related activities. In addition, Dow Inc. included cash outflows for dividends paid to stockholders and purchases of treasury stock. TDCC included cash outflows for dividends paid to Dow Inc.

Dow Inc. Non-GAAP Cash Flow Measures

Free Cash Flow

Dow defines Free Cash Flow as "Cash provided by 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.

Operating EBITDA

Dow defines Operating EBITDA as earnings (i.e., "Income before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.

Cash Flow Conversion (Cash Flow from Operations to Operating EBITDA)

Dow defines Cash Flow Conversion (Cash Flow from Operations to Operating EBITDA) as "Cash provided by 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.

These financial measures are not recognized in accordance with accounting principles generally accepted in the United States of America ("GAAP") and should not be viewed as alternatives to GAAP financial measures of performance. All companies do not calculate non-GAAP financial measures in the same manner and, accordingly, Dow's definitions may not be consistent with the methodologies used by other companies.

Reconciliation of Free Cash Flow	Reconciliation of Free Cash Flow	Six Months Ended		Reconciliation of Free Cash Flow	Nine Months Ended
		Jun 30, 2024	Jun 30, 2023		
In millions	In millions	In millions	In millions	Sep 30, 2024	
Cash provided by operating activities - continuing operations (GAAP)		Jun 30, 2023		Sep 30, 2023	
Capital expenditures					
Free Cash Flow (non-GAAP)					

Reconciliation of Cash Flow Conversion (Cash Flow from Operations to Operating EBITDA)	Reconciliation of Cash Flow Conversion (Cash Flow from Operations to Operating EBITDA)	Six Months Ended		Reconciliation of Cash Flow Conversion (Cash Flow from Operations to Operating EBITDA)	Nine Months Ended	
		Jun 30, 2024	Jun 30, 2023		Sep 30, 2024	Sep 30, 2023
In millions	In millions	In millions	In millions			
Net income (GAAP)	Net income (GAAP)	\$ 996	\$ 428	Net income (GAAP)	\$ 1,236	\$ 755
+ Provision for income taxes	+ Provision for income taxes	61	163	+ Provision for income taxes	145	253
Income before income taxes	Income before income taxes	\$ 1,057	\$ 591	Income before income taxes	\$ 1,381	\$ 1,008
- Interest income	- Interest income	107	142	- Interest income	143	186
+ Interest expense and amortization of debt discount	+ Interest expense and amortization of debt discount	396	357	+ Interest expense and amortization of debt discount	595	549
- Significant items ¹	- Significant items ¹	(147)	(787)	- Significant items ¹	(301)	(848)
Operating EBIT (non-GAAP)	Operating EBIT (non-GAAP)	\$ 1,493	\$ 1,593	Operating EBIT (non-GAAP)	\$ 2,134	\$ 2,219
+ Depreciation and amortization	+ Depreciation and amortization	1,402	1,297	+ Depreciation and amortization	2,143	1,954
Operating EBITDA (non-GAAP)	Operating EBITDA (non-GAAP)	\$ 2,895	\$ 2,890	Operating EBITDA (non-GAAP)	\$ 4,277	\$ 4,173
Cash provided by operating activities - continuing operations (GAAP)	Cash provided by operating activities - continuing operations (GAAP)	\$ 1,292	\$ 1,878	Cash provided by operating activities - continuing operations (GAAP)	\$ 2,092	\$ 3,536
Cash flow from operations to net income (GAAP)	Cash flow from operations to net income (GAAP)	129.7	% 438.8	Cash flow from operations to net income (GAAP)	169.3	% 468.3
Cash Flow Conversion (Cash flow from operations to Operating EBITDA) (non-GAAP)	Cash Flow Conversion (Cash flow from operations to Operating EBITDA) (non-GAAP)	44.6	% 65.0	Cash Flow Conversion (Cash flow from operations to Operating EBITDA) (non-GAAP)	48.9	% 84.7

1. The **six** nine months ended **June 30, 2024** **September 30, 2024** includes restructuring charges and implementation and efficiency costs associated with the Company's 2023 Restructuring Program, and impairment charges related to write-downs of certain manufacturing **assets**, **assets** and activity related to the separation from DowDuPont. The **six** nine months ended **June 30, 2023** **September 30, 2023** includes restructuring charges and implementation and efficiency costs associated with the Company's 2023 Restructuring Program, certain gains and losses associated with previously impaired equity investments, a loss associated with legacy agricultural products groundwater contamination matters and activity related to the separation from DowDuPont. See Note **20** **21** to the Consolidated Financial Statements for additional information.

Liquidity & Financial Flexibility

The Company's primary source of incremental liquidity is cash flows from operating activities. The generation of cash from operations and the Company's ability to access capital markets is expected to meet the Company's cash requirements for working capital, capital expenditures, debt maturities, contributions to pension plans, dividend distributions to stockholders, share repurchases and other needs. In addition to cash from operating activities, the Company's current liquidity sources also include TDCC's U.S. and Euromarket commercial paper programs, committed and uncommitted credit facilities, committed accounts receivable facilities, a medium-term notes program, a U.S. retail note program ("InterNotes®") and other debt markets.

The Company continues to maintain a strong financial position with all of its committed credit facilities undrawn and fully available at **June 30, 2024** **September 30, 2024**. Cash and committed and available forms of liquidity were **\$13.0** **\$12.7** billion at **June 30, 2024** **September 30, 2024**. The Company also has no substantive long-term debt maturities due until 2027. As a well-known seasoned issuer, the Company may issue debt at any time as an additional source of liquidity. Additional details on sources of liquidity are as follows:

Commercial Paper

TDCC issues promissory notes under its U.S. and Euromarket commercial paper programs. TDCC had no commercial paper outstanding at **June 30, 2024** **September 30, 2024**. TDCC maintains access to the commercial paper market at competitive rates. Amounts outstanding under TDCC's commercial paper programs during the period may be greater or less than the amount reported at the end of the period. **Subsequent to September 30, 2024, TDCC did not issue** **issued approximately \$700 million of commercial paper subsequent to June 30, 2024**.

Committed Credit Facilities

The Company also has the ability to access liquidity through TDCC's committed and available credit facilities. At **June 30, 2024** **September 30, 2024**, TDCC had total committed and available credit facilities of \$8.4 billion.

Uncommitted Credit Facilities

The Company has entered into various uncommitted bilateral credit arrangements as a potential source of excess liquidity. These lines can be used to support short-term liquidity needs and for general purposes. The Company had no drawdowns outstanding at **June 30, 2024** **September 30, 2024**.

Accounts Receivable Securitization Facilities

In addition to the above credit facilities, the Company maintains a committed accounts receivable facility in the United States where eligible trade accounts receivable, up to \$900 million, may be sold at any point in time. The Company also maintains a committed accounts receivable facility in Europe where eligible trade accounts receivable, up to €500 million, may be sold at any point in time. In the first **six** **nine** months of 2024, there were **\$264** **\$289** million in sales of receivables under the U.S. and Europe committed accounts receivable facilities (**no** **\$28** million in sales of receivables in the first **six** **nine** months of 2023). At **June 30, 2024** **September 30, 2024**, approximately **\$142** **\$26** million of sold receivables were outstanding.

In addition, the Company has an uncommitted accounts receivable facility in the United States providing additional liquidity. Sales of receivables under this facility were \$378 million in the first **six** **nine** months of 2024 (no sales of receivables in the first **six** **nine** months of 2023). At **June 30, 2024** **September 30, 2024**, approximately **\$213** **\$19** million of sold receivables were outstanding. See Note **10** **11** to the Consolidated Financial Statements for additional information.

Early Settlement of Letters of Credit

The Company utilizes, from time-to-time, letters of credit discounting programs to manage and expedite the settlement of letters of credit in certain regions. These letters of credit are associated with accounts receivable and the Company retains no interest in the transferred letters of credit or receivables once sold.

Accounts Receivable Discounting Facilities

The Company has access to accounts receivable discounting facilities, under which receivables are transferred with limited recourse. The Company retains no interest in the transferred receivables once sold. Sales of receivables under this facility were **\$408** **million** **\$581** **million** in the first **six** **nine** months of 2024 (no sales of receivables in the first **six** **nine** months of 2023). At **June 30, 2024** **September 30, 2024**, approximately **\$268** **\$154** million of sold receivables were outstanding. See Note **10** **11** to the Consolidated Financial Statements for additional information.

The Company maintains these facilities and also participates in certain customers' supply chain financing and other early pay programs as a routine source of working capital.

Company-Owned Life Insurance

The Company has investments in company-owned life insurance ("COLI") policies, which are recorded at their cash surrender value as of each balance sheet date. The Company has the ability to monetize its investment in its COLI policies as an additional source of liquidity. At **June 30, 2024** **September 30, 2024**, the Company had monetized **\$187** **\$260** million of its existing COLI policies' surrender value (\$97 million at December 31, 2023). See Note 6 to the Consolidated Financial Statements for additional information.

Debt

As the Company continues to maintain its strong balance sheet and financial flexibility, management is focused on net debt (a non-GAAP financial measure), as the Company believes this is the best representation of its financial leverage at this point in time. As shown in the following table, net debt is equal to total gross debt minus "Cash and cash equivalents" and "Marketable securities."

Total Debt	Total Debt	Dow Inc.		TDCC			Total Debt	Dow Inc.		TDCC	
		Jun 30, 2024	Dec 31, 2023	Jun 30, 2024	Dec 31, 2023	Dec 31, 2023		Sep 30, 2024	Sep 30, 2024	Dec 31, 2023	Dec 31, 2023
In millions	In millions	Dec 31, 2023	Jun 30, 2024	Dec 31, 2023	\$ 62	In millions	Dec 31, 2023	Dec 31, 2023	2024	117	\$ 296
Notes payable	Notes payable										
Long-term debt due within one year	Long-term debt due within one year	238	117	238	117		Long-term debt due within one year	296	117	296	117
Long-term debt	Long-term debt	16,016	14,907	16,016	14,907		Long-term debt	16,164	14,907	16,164	14,907
Gross debt	Gross debt	\$ 16,368	\$ 15,086	\$ 16,368	\$ 15,086		Gross debt	\$ 16,571	\$ 15,086	\$ 16,571	\$ 15,086
- Cash and cash equivalents	- Cash and cash equivalents	3,341	2,987	3,341	2,987		- Cash and cash equivalents	2,883	2,987	2,883	2,987

- Marketable securities ¹	- Marketable securities ¹	570	1,300	570	1,300	- Marketable securities ¹	361	1,300	361	1,300
Net debt	Net debt	\$ 12,457	\$ 10,799	\$ 12,457	\$ 10,799	Net debt	\$ 13,327	\$ 10,799	\$ 13,327	\$ 10,799
Total equity	Total equity	\$ 18,800	\$ 19,108	\$ 19,002	\$ 19,406	Total equity	\$ 18,841	\$ 19,108	\$ 19,039	\$ 19,406
Gross debt as a percent of total capitalization										
Gross debt as a percent of total capitalization										
Gross debt as a percent of total capitalization		46.5 %	44.1 %	46.3 %	43.7 %		46.8 %	44.1 %	46.5 %	43.7 %
Net debt as a percent of total capitalization	Net debt as a percent of total capitalization	39.9 %	36.1 %	39.6 %	35.8 %	Net debt as a percent of total capitalization	41.4 %	36.1 %	41.2 %	35.8 %

1. Included in "Other current assets" in the consolidated balance sheets.

The Company may at any time repurchase certain debt securities in the open market or in privately negotiated transactions subject to: the applicable terms under which any such debt securities were issued, certain internal approvals of the Company, and applicable laws and regulations of the relevant jurisdiction in which any such potential transactions might take place. This in no way obligates the Company to make any such repurchases nor should it be considered an offer to do so.

TDCC's public debt instruments and primary, private credit agreements contain, among other provisions, certain customary restrictive covenant and default provisions. TDCC's most significant debt covenant with regard to its financial position is the obligation to maintain the ratio of its consolidated indebtedness to consolidated capitalization at no greater than 0.70 to 1.00 at any time the aggregate outstanding amount of loans under the Five Year Competitive Advance and Revolving Credit Facility Agreement ("Revolving Credit Agreement") equals or exceeds \$500 million. The ratio of TDCC's consolidated indebtedness to consolidated capitalization as defined in the Revolving Credit Agreement was 0.44 to 1.00 at **June 30, 2024** **September 30, 2024**. Management believes TDCC was in compliance with all of its covenants and default provisions at **June 30, 2024** **September 30, 2024**. For information on TDCC's debt covenants and default provisions, see Note 13 to the Consolidated Financial Statements included in the 2023 10-K. There were no material changes to the debt covenants and default provisions related to TDCC's outstanding long-term debt and primary, private credit agreements in the first **six** **nine** months of 2024.

In the first quarter of 2024, the Company issued \$1.25 billion of senior unsecured notes. The offering included \$600 million aggregate principal amount of 5.15 percent notes due 2034 and \$650 million aggregate principal amount of 5.60 percent notes due 2054. The issuance was completed under the Company's Green Finance Framework, which is available on the Company's website. The Company will distribute the proceeds toward projects that support the execution of its sustainability strategy and achieve its targets focused on climate protection and a circular economy, including applicable expenditures and investments related to the Company's Fort Saskatchewan Path2Zero project, which is expected to deliver organic growth while decarbonizing 20 percent of the Company's global ethylene capacity.

In the second quarter of 2024, the Company redeemed \$10 million aggregate principal amount of 2.10 percent notes due November 2030, \$30 million aggregate principal amount of 4.25 percent notes due October 2034, \$8 million aggregate principal amount of 5.25 percent notes due November 2041 and \$12 million aggregate principal amount of 4.375 percent notes due November 2042. As a result of the redemption, the Company recognized a pretax gain on the early extinguishment of debt of \$5 million, included in "Sundry income (expense) - net" in the consolidated statements of income and related to Corporate.

In the first **six** **nine** months of 2024, the Company issued an aggregate principal amount of **\$24** **\$71** million of InterNotes®. The Company also issued \$122 million of foreign currency loans. Additionally, the Company repaid **\$69** **\$77** million of long-term debt.

While taking into consideration the current economic environment, management expects that the Company will continue to have sufficient liquidity and financial flexibility to meet all of its business obligations.

Credit Ratings

At **June 30, 2024** **September 30, 2024**, TDCC's credit ratings were as follows:

Credit Ratings	Long-Term Rating	Short-Term Rating	Outlook
Fitch Ratings	BBB+	F1	Stable
Moody's Ratings	Baa1	P-2	Stable
Standard & Poor's	BBB	A-2	Stable

On **January 19, 2024**, Moody's Ratings affirmed TDCC's Baa1 and P-2 rating, and affirmed its outlook of stable. On **July 1, 2024**, Fitch Ratings affirmed TDCC's BBB+ and F1 rating, and affirmed its outlook of stable. On **July 1, 2024**, Standard & Poor's also affirmed TDCC's BBB and A-2 rating, and affirmed its outlook of stable. On **August 6, 2024**, Moody's Ratings affirmed TDCC's Baa1 and P-2 rating, and affirmed its outlook of stable. These credit agencies' decisions were made as part of their annual review process and reflect the Company's supportive financial policies, scale, liquidity and cost-advantaged footprint.

Dividends

Dow Inc.

Dow Inc. has paid dividends on a quarterly basis since the separation from DowDuPont and expects to continue to do so, subject to approval by the Dow Inc. Board. Dividends declared by the Board align to the Company's strategy announced in 2018 of returning approximately 45 percent of Operating Net Income to shareholders through dividends and

total shareholder remuneration of approximately 65 percent, when including share repurchases, over the economic cycle. The Company defines Operating Net Income, a non-GAAP measure, as "Net income available for Dow Inc. common stockholders," excluding the impact of significant items. The following table summarizes dividends declared and paid to common stockholders of record in 2024:

Dow Inc. Dividends Declared and Paid			
<i>Declaration Date</i>	<i>Record Date</i>	<i>Payment Date</i>	<i>Amount (per share)</i>
February 15, 2024	February 29, 2024	March 8, 2024	\$ 0.70
April 11, 2024	May 31, 2024	June 14, 2024	\$ 0.70
August 14, 2024	August 30, 2024	September 13, 2024	\$ 0.70
October 10, 2024	November 29, 2024	December 13, 2024	\$ 0.70

TDCC

TDCC has committed to fund Dow Inc.'s dividends paid to common stockholders and share repurchases, as approved by the Dow Inc. Board, as well as certain governance expenses. Funding is accomplished through intercompany loans. TDCC's Board reviews and determines a dividend distribution to Dow Inc. to settle the intercompany loans. For the three months ended **June 30, 2024** **September 30, 2024**, TDCC declared and paid a dividend of **\$686** **\$600** million to Dow Inc. (**\$1,477** **2,077** million of dividend declared and **\$1,384** **\$1,984** million of dividend paid to Dow Inc. for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**). At **June 30, 2024** **September 30, 2024**, TDCC's intercompany loan balance with Dow Inc. was insignificant.

Share Repurchase Program

On April 13, 2022, the Dow Inc. Board approved a share repurchase program authorizing up to \$3 billion for the repurchase of the Company's common stock, with no expiration date. The Company repurchased **\$200** **\$94** million of its common stock in the **second** **third** quarter of 2024 (**\$400** **494** million in the **first** **six** **nine** months of 2024). At **June 30, 2024** **September 30, 2024**, approximately **\$1,025** **\$931** million of the share repurchase program authorization remained available for repurchases. As previously announced, the Company intends to repurchase shares at a minimum to cover dilution over the cycle. The Company may from time to time expand its share repurchases beyond dilution, based on a number of factors including macroeconomic conditions, free cash flow generation, and the Dow share price. Any share repurchases, when coupled with the Company's dividends, are intended to implement the long-term strategy of targeting shareholder remuneration of approximately 65 percent over the economic cycle.

Pension Plans

The Company has both funded and unfunded defined benefit pension plans that cover employees in the United States and a number of other countries. The Company's funding policy is to contribute to funded plans when pension laws and/or economics either require or encourage funding. In the second quarter of 2024, the Company received a pension asset reversion of approximately \$70 million (approximately \$90 million in the second quarter of 2023) for a portion of the excess funding of one of its plans in Europe. These plan asset reversions are included in "Other assets and liabilities, net" in the consolidated statements of cash flows.

As announced in 2021, all U.S. pension plans were frozen for substantially all employees who participated in the U.S. defined benefit pension programs effective December 31, 2023. In the fourth quarter of 2023, the Company spun off a portion of each of the Company's two existing tax-qualified U.S defined benefit pension plans into two new tax-qualified pension plans, which includes the tax-qualified benefit obligations for substantially all employees hired after January 1, 2008. These employees earned benefits based on a set percentage of annual pay, plus interest, and the spin of these plans provide the Company the ability to separately manage the assets and obligations of these plans with like benefits. In the second quarter of 2024, as part of its ongoing pension de-risking initiatives, the Company initiated the termination of the two new tax-qualified pension plans. As part of the plan termination process, the Company will offer participants of these plans annuity or lump sum distribution options. Final asset distributions are expected to be paid from plan assets in the fourth quarter of 2025, with minimal additional funding, if any, required from the Company, and are anticipated to result in pension settlement charges, with the amounts dependent on various factors, including interest rates, plan asset returns, annuity pricing and participant distribution elections.

See Note **16** **17** to the Consolidated Financial Statements, and Note 18 to the Consolidated Financial Statements included in the 2023 10-K for additional information related to the Company's pension plans.

Restructuring

The actions related to the 2023 Restructuring Program are expected to result in additional cash expenditures of **\$61** **\$60** million, primarily through **2024**, **the first quarter of 2025**, and consist of severance and related benefit costs. Restructuring implementation costs, primarily decommissioning and demolition activities related to asset actions, and costs associated with the Company's productivity and efficiency actions, are expected to result in additional cash expenditures of approximately **\$186** **\$90** million, primarily through **2024**, **the first quarter of 2025**. Restructuring implementation and efficiency costs totaled **\$56** **\$55** million and **\$102** **\$157** million for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024**, respectively.

The Company expects to incur additional costs in the future related to its restructuring activities, which will be recognized as incurred. The Company also expects to incur additional employee-related costs, including involuntary termination benefits related to its other optimization activities. These costs cannot be reasonably estimated at this time. See Note 5 to the Consolidated Financial Statements for additional information on the Company's restructuring activities.

Contractual Obligations

Information related to the Company's contractual obligations, commercial commitments and expected cash requirements for interest can be found in Notes 13, 14, 15 and 18 to the Consolidated Financial Statements included in the 2023 10-K. With the exception of the items noted below, there have been no material changes in the Company's contractual obligations since December 31, 2023.

Contractual Obligations at Jun 30, 2024		Contractual Obligations at Sep 30, 2024									
	In millions		In millions								
	In millions	2024	2025-2026	2027-2028	2029 and beyond	Total	2024	2025-2026	2027-2028	2029 and beyond	Total
Dow Inc.											
Long-term debt obligations	1										
Long-term debt obligations	1										
Long-term debt obligations	1										
Expected cash requirements for interest	2										
Purchase obligations	3										
Purchase obligations	3										
Purchase obligations	3										
Total											
Total											
Total											

1. Excludes unamortized debt discount and issuance costs of \$254 million. Includes finance lease obligations of \$969 \$961 million.

2. Cash requirements for interest on long-term debt was calculated using current interest rates at **June 30, 2024** September 30, 2024, and includes \$109 \$154 million of various floating rate notes.

3. Includes a \$1.3 billion purchase commitment for the use of a water supply reservoir asset expected to commence in 2028, as discussed in Note 13 to the Consolidated Financial Statements, and outstanding purchase orders and other commitments greater than \$1 million obtained through a survey conducted within the Company.

Fair Value Measurements

See Note **19.20** to the Consolidated Financial Statements for information concerning fair value measurements.

OTHER MATTERS

Critical Accounting Estimates

The preparation of financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America requires management to make judgments, assumptions and estimates that affect the amounts reported in the consolidated financial statements and accompanying notes. Note 1 to the Consolidated Financial Statements included in the 2023 10-K describes the significant accounting policies and methods used in the preparation of the consolidated financial statements. The Company's critical accounting policies that are impacted by judgments, assumptions and estimates are described in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the 2023 10-K. Since December 31, 2023, there have been no material changes in the Company's accounting policies that are impacted by judgments, assumptions and estimates.

Asbestos-Related Matters of Union Carbide Corporation

Union Carbide is and has been involved in a large number of asbestos-related suits filed primarily in state courts during the past four decades. These suits principally allege personal injury resulting from exposure to asbestos-containing products and frequently seek both actual and punitive damages. The alleged claims primarily relate to products that Union Carbide sold in the past, alleged exposure to asbestos-containing products located on Union Carbide's premises, and Union Carbide's responsibility for asbestos suits filed against a former Union Carbide subsidiary, Amchem Products, Inc. ("Amchem"). In many cases, plaintiffs are unable to demonstrate that they have suffered any compensable loss as a result of such exposure, or that injuries incurred in fact resulted from exposure to Union Carbide's products.

The table below provides information regarding asbestos-related claims pending against Union Carbide and Amchem based on criteria developed by Union Carbide and its external consultants:

Asbestos-Related Claim Activity	Asbestos-Related Claim Activity	2024	2023	Asbestos-Related Claim Activity	2024	2023
Claims unresolved at Jan 1						
Claims filed						
Claims settled, dismissed or otherwise resolved						
Claims unresolved at Jun 30						
Claims unresolved at Sep 30						
Claimants with claims against both Union Carbide and Amchem						

Individual claimants at Jun 30
Individual claimants at Sep 30

Plaintiffs' lawyers often sue numerous defendants in individual lawsuits or on behalf of numerous claimants. As a result, the damages alleged are not expressly identified as to Union Carbide, Amchem or any other particular defendant, even when specific damages are alleged with respect to a specific disease or injury. For these reasons and based upon Union Carbide's litigation and settlement experience, Union Carbide does not consider the damages alleged against Union Carbide and Amchem to be a meaningful factor in its determination of any potential asbestos-related liability.

For additional information, see Asbestos-Related Matters of Union Carbide Corporation in Note 12¹³ to the Consolidated Financial Statements; Part II, Item 1. Legal Proceedings; and Note 14 to the Consolidated Financial Statements included in the 2023 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Note 18¹⁹ to the Consolidated Financial Statements and Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk in the combined Dow Inc. and TDCC Annual Report on Form 10-K for the year ended December 31, 2023, for information on the Company's utilization of financial instruments and an analysis of the sensitivity of these instruments.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, Dow Inc. and The Dow Chemical Company (the "Companies") carried out an evaluation, under the supervision and with the participation of the Companies' Disclosure Committee and the Companies' management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the design and operation of the Companies' disclosure controls and procedures pursuant to paragraph (b) of Exchange Act Rules 13a-15 and 15d-15. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Companies' disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in the Companies' internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 and 15d-15 that was conducted during the quarter ended June 30, 2024 September 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Companies' internal control over financial reporting.

Dow Inc. and Subsidiaries The Dow Chemical Company and Subsidiaries PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Asbestos-Related Matters of Union Carbide Corporation

No material developments regarding this matter occurred in the first ~~six~~^{nine} months of 2024. For a current status of this matter, see Note 12¹³ to the Consolidated Financial Statements.

Environmental Proceedings

On December 16, 2022, the U.S. Department of Justice filed a complaint and proposed consent decree on behalf of the U.S. Environmental Protection Agency ("EPA") relating to environmental contamination at the Lower Passaic River Study Area Superfund Site in New Jersey. The EPA filed an amended complaint and proposed consent decree on January 17, 2024. The proposed consent decree includes a requirement that 85 settling defendants, including the Company's Essex Chemical Corporation subsidiary ("Essex"), make a collective payment of \$150 million for the EPA's past and anticipated future response costs, with Essex's share of the group settlement costs being \$1.15 million. On January 31, 2024, the EPA filed a motion for approval and entry of the consent decree.

ITEM 1A. RISK FACTORS

Since December 31, 2023, there have been no material changes to the Company's Risk Factors.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information regarding purchases of Dow Inc. common stock by the Company during the three months ended June 30, 2024 September 30, 2024:

Issuer Purchases of Equity Securities			Total number of shares purchased as part of the Company's publicly announced share repurchase program	Approximate dollar value of shares that may yet be purchased under the Company's publicly announced share repurchase program ¹ (In millions)
Period	Total number of shares purchased	Average price paid per share		

April 2024	—	\$ —	—	\$ 1,225
May 2024	2,369,876	\$ 58.19	2,369,876	\$ 1,087
June 2024	1,110,570	\$ 55.92	1,110,570	\$ 1,025
Second quarter 2024	3,480,446	\$ 57.46	3,480,446	\$ 1,025

Issuer Purchases of Equity Securities			Total number of shares purchased as part of the Company's publicly announced share repurchase program	Approximate dollar value of shares that may yet be purchased under the Company's publicly announced share repurchase program ¹ (In millions)
Period	Total number of shares purchased	Average price paid per share		
July 2024	112,764	\$ 53.21	112,764	\$ 1,019
August 2024	1,247,017	\$ 53.11	1,247,017	\$ 952
September 2024	419,114	\$ 51.66	419,114	\$ 931
Third quarter 2024	1,778,895	\$ 52.78	1,778,895	\$ 931

1. On April 13, 2022, the Dow Inc. Board approved a share repurchase program authorizing up to \$3.0 billion for the repurchase of the Company's common stock, with no expiration date.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

EXHIBIT NO.	DESCRIPTION
4.3	Dow Inc. agrees to provide the SEC, on request, copies of all other such indentures and instruments that define the rights of holders of long-term debt of Dow Inc. and its consolidated subsidiaries, including The Dow Chemical Company, pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K.
<u>23</u> *	Ankura Consulting Group, LLC's Consent.
<u>31.1</u> *	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>31.2</u> *	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32.1</u> *	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
<u>32.2</u> *	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File. The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith

TRADEMARK LISTING

The following registered trademark of InspereX Holdings LLC appears in this report: InterNotes®

®™ Trademark of The Dow Chemical Company ("Dow") or an affiliated company of Dow, except as otherwise specified.

Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries
Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOW INC.
THE DOW CHEMICAL COMPANY

Date: **July 26, 2024** **October 25, 2024**

/s/ ANDREA L. DOMINOWSKI

Andrea L. Dominowski
Controller and Vice President of
Controllers
(Authorized Signatory and
Principal Accounting Officer)

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Ankura Consulting Group, LLC's Consent

EXHIBIT 23

Ankura Consulting Group, LLC ("Ankura") hereby consents to the use of Ankura's name and the reference to Ankura's reports in this Quarterly Report on Form 10-Q of Dow Inc. and The Dow Chemical Company for the period ended **June 30, 2024** **September 30, 2024**, and the incorporation by reference thereof in the following Registration Statements of Dow Inc. and The Dow Chemical Company:

DOW INC.

Form S-3:

Nos. 333-230668
 333-265556

Form S-8:

Nos. 333-220352-01
 333-230680
 333-230681
 333-255472
 333-255473

THE DOW CHEMICAL COMPANY

Form S-3:

No. 333-265556-01

Form S-4:

No. 333-234108

Form S-8:

Nos. 33-61795
333-40271
333-91027
333-103519
333-220352

Date: **July 26, 2024** October 25, 2024

/s/ AMY BROCKMAN

Amy Brockman
Senior Managing Director
Ankura Consulting Group, LLC

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Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries

EXHIBIT 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jim Fitterling, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dow Inc. and The Dow Chemical Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;
4. The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrants and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial

reporting; and

5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of registrants' board of directors (or persons performing the equivalent function):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

Date: **July 26, 2024** October 25, 2024

/s/ **JIM FITTERLING**

Jim Fitterling
Chair and Chief Executive Officer

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**Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries**

EXHIBIT 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jeffrey L. Tate, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dow Inc. and The Dow Chemical Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrants as of, and for, the periods presented in this report;
4. The registrants' other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrants and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrants, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrants' disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrants' internal control over financial reporting that occurred during the registrants' most recent fiscal quarter (the registrants' fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrants' internal control over financial reporting; and
5. The registrants' other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrants' auditors and the audit committee of registrants' board of directors (or persons performing the equivalent function):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrants' ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrants' internal control over financial reporting.

Date: **July 26, 2024** October 25, 2024

/s/ JEFFREY L. TATE

Jeffrey L. Tate
Chief Financial Officer

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Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries

EXHIBIT 32.1

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Jim Fitterling, Chair and Chief Executive Officer of Dow Inc. and The Dow Chemical Company (the "Companies"), certify that:

1. The Quarterly Report on Form 10-Q of the Companies for the quarter ended **June 30, 2024** **September 30, 2024** as filed with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Companies.

Date: **July 26, 2024** October 25, 2024

/s/ JIM FITTERLING

Jim Fitterling
Chair and Chief Executive Officer

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Dow Inc. and Subsidiaries
The Dow Chemical Company and Subsidiaries

EXHIBIT 32.2

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Jeffrey L. Tate, Chief Financial Officer of Dow Inc. and The Dow Chemical Company (the "Companies"), certify that:

1. The Quarterly Report on Form 10-Q of the Companies for the quarter ended **June 30, 2024** **September 30, 2024** as filed with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Companies.

Date: **July 26, 2024** October 25, 2024

/s/ JEFFREY L. TATE

Jeffrey L. Tate
Chief Financial Officer

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