



IMPACT STORIES



PARTNERSHIP FOR SUSTAINABILITY

**A CUSTOM CASE STUDY WITH THE UNIVERSITY OF MICHIGAN
ROSS SCHOOL OF BUSINESS, THE UNIVERSITY OF MICHIGAN'S
ERB INSTITUTE, AND DOW CHEMICAL COMPANY**

The Dow Sustainability Academy, launched in 2017 through a partnership between Dow, the University of Michigan Ross School of Business and the University of Michigan's Erb Institute, empowers Dow employees from all levels and all functions to contribute to the company's sustainability efforts.

As a Credit Analyst in the Customer Financial Services group at Dow Chemical Company, Louise Weideman felt "disconnected from sustainability and Dow's efforts of sustainability." So when she saw an opportunity to apply for the Dow Sustainability Academy she jumped at the chance. "What inspired me to apply to be a part of the program really came back to one of the reasons I was interested in working for Dow in the first place," Weideman said. "When I was completing my bachelor's degree, we had the Director of Sustainability at Dow come and talk to the business college about how important sustainability is in the business world today, especially in manufacturing companies. The efforts that Dow is putting towards sustainability that he shared with us, and the different videos he showed us about the impact Dow was making, was really inspirational to me."

The Dow Sustainability Academy, a program developed in 2017 to involve more employees in the company's sustainability efforts, was created and implemented as a collaboration between Dow, the University of Michigan Ross School of Business, Michigan Ross Executive Education, and the University of Michigan's Erb Institute. The clear alignment between the University of Michigan's ideas and priorities on sustainability and those of Dow Chemical is reflected in the mission of the Erb Institute "to create a socially and environmentally sustainable world through the power of business."

The Sustainability Academy enrolled about 40 participants several times a year, and consisted of an intensive three-day academic program for Dow employees at the University of Michigan's Ann Arbor campus, followed by a five-month real-world sustainability project developed by teams of Academy participants.

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A Conversation Between Partners

Michigan Ross and the Erb Institute have partnered with Dow for many years, including developing case studies on Dow with Dow's participation, creating a series of videos with the company to coincide with Earth Day, and sending students to Dow as interns.

According to Michigan Ross School of Business professor Joe Árvai, director of the Erb Institute and the faculty director of the Sustainability Academy, the Dow Sustainability Academy came about through discussions about developing a case around Dow related to their 2025 Sustainability Goals. With goals such as "Safe Materials for a Sustainable Planet," "Valuing Nature," and "Advancing a Circular Economy," the 2025 Sustainability Goals were a set of 12 goals that frame the current focus areas of Dow's sustainability efforts. The 2025 goals represent the third decennial iteration of Dow sustainability goals, following previous goals set for 2005 and 2015.

"Out of that conversation about the case," noted Árvai, "we started to talk a little bit about the importance of trying to embed the ethos of the 2025 Goals across the entirety of the company. There was a sustainability office and there were managers with responsibility for sustainability, but my understanding was that there was no across-the-company commitment to training *all* employees within Dow about the importance of sustainability."

"We do have a lot happening at the leader level," agreed Dena Pflieger, Dow Sustainability Program Manager. "But our new aspiration is to be the most innovative, customer-centric, inclusive, sustainable material science company in the world." Achieving such ambitions could not only come from top-down pushing activities. "We need everyone to think about what it is we're trying to do with sustainability, and how they can actually make a difference, and implement those goals."

Once the need to connect more employees with the company's sustainability efforts was recognized, Árvai worked with Dow's sustainability leadership at the time in "sketching out what might be interesting and important for the participants to learn. And out of a series of maybe a half a dozen conversations, we developed a template for the very first Dow Academy."

The choice of participants in the Academy reflected Dow's ambition to involve people at all levels in sustainability. As Pflieger explained, participants were at "the functional specialist type of level. Most of them were not managers, but at the level right below that. So we were looking at folks who would possibly be the future leaders. And because they were the people doing the day-to-day work, who understand how things work, this gave us another chance to impact the organization at a different level."

Three Days at Michigan

The first step for participants was the intensive three-day academic program at the Ann Arbor campus of the University of Michigan Ross School of Business. The three days began with an introduction to the role of policy-makers and policy in increasing sustainability in the world. As Árvai explained, “We started with an introduction to the policy world culminating in a discussion of why policy on its own isn’t going to be enough for the advancement of sustainability in our society. It explained where policy falls short. And then we moved into a lengthy discussion of the business case for sustainability.”

One of the three days’ key lessons at Michigan Ross was understanding the different facets of sustainability. “For many participants sustainability was very much the blend of environmental protection and a kind of business success,” emphasized Árvai. “What we taught them right away was that we look at sustainability through the lens of social, environmental and economic dimensions.” The social component of sustainability covers everything from labor, human rights, and the impact on communities to equality, working conditions, forced labor, and other issues. “We don’t believe in our definition of sustainability that it’s enough to think about environmental protection and economic benefit,” Árvai noted, “if at the same time you’re leaving a legacy of waste or toxicity that would negatively impact communities long-term.”

Tools for Sustainability

The purpose of the on-site portion of the program was not only to help the participants develop a more comprehensive understanding of sustainability, but also to give them tools that they could apply to implement sustainability initiatives. In other words, having covered the why, the faculty at Michigan now focused on the how.

At this time, the participants were introduced to an extensive set of Erb Institute “tool-boxes” to help practitioners implement sustainability practices and behaviors. “We had 16 of them that covered different dimensions of actually doing business sustainability, from stakeholder analysis and materiality to the triple-bottom-line, horizon issues and the business case,” said Árvai.

“They provided us with some very specific tools to use that could help us along with our brainstorming process and things that applied to everybody’s projects,” recalled participant Weideman. Despite the wide variety of projects, “the professors were able to give us information and tools that were relevant to everyone.”

For Weideman, one of the most powerful tools she brought home from the courses at Michigan was a stakeholder analysis map, which consisted of a four-quadrant graph in which circles represented stakeholders. The size of the circles reflected the stakeholder’s size and importance, as well as the impact the project in question would have on them. “After you put in all your stakeholders for your

project, you realize the key people or groups that you were going to need to work with to get your project to be successful,” she said.

Outside the Comfort Zone

The next phase of the Sustainability Academy was the project work. Participants were given a list of 10 to 12 projects and asked to list their top three choices.

“I decided to go out of my comfort zone and put my interest in projects that weren’t really related to my role,” recollected Weideman. “That way I could learn more about different areas of Dow, and perhaps get assigned to a team with people outside of finance as well. I ended up getting my number one choice, which was a project aligned to Dow’s goal for engaging for impact. That’s one of our sustainability goals for 2025: to get lots of Dow people and the Dow community involved in volunteerism and achieving our sustainability goals.”

Dow developed the pool of projects offered to participants. The Sustainability Academy asked the company’s sustainability goal leaders and leaders from all of its businesses to submit a project. “They also had to charter the project,” Pflieger remarked. “We used Sustainability Academy alumni to help work with the client to refine the charter.” The Academy has also refined its criteria for projects over time to make them not only better projects for the groups, but offering more valuable better outcomes for Dow.



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Pflieger acknowledged that the charters could still be ambiguous, at which point the Academy participants would transform the charters into more specific projects.

Such was the case with Weideman's project. "Our project charter was very vague when we started," she remembered. Weideman and her three Academy teammates were tasked with brainstorming ideas on how to get people motivated and inspired by sustainability and the company's sustainability efforts.

Over the first two months of the project, the four participants generated a long list of 50 potential projects to get people involved. With just four months left to complete the assignment, the team chose two projects to focus on. The first one was a sustainability project challenge, which involved setting up an online site where people could enter their ideas for large-scale volunteerism projects in the community. The team then recruited a panel of different leaders across Dow to read over the submissions and decide which one would make the biggest impact and get the most number of people involved. The team also convinced the Dow Foundation to provide a \$10,000 grant to the winner of the challenge.

"There were wonderful, great ideas in there and I hope the other entrants were able to move forward with theirs," Weideman said. "But we picked a project that a team submitted about water quality and getting elementary school children involved in testing water in the area. And so

it helped them both learn the process of testing and the scientific way that you can learn about the environment and see what is good and bad in our community, and got them interested in STEM careers."

The second part of the project was a cultural survey intended to help understand the barriers to volunteerism. With the help of the HR department (Weideman noted that her stakeholder analysis pinpointed who could help them the most with this project), the team sent out surveys to 500 employees with questions such as: "Why are you passionate about volunteering? What's stopping you? Do you have leadership support? Do you have time during work or outside of work?" Based on an analysis of the survey results, "We were able to put together a really nice presentation for our HR and corporate citizenship leaders to show them what was preventing people from volunteering and how to overcome these barriers and encourage volunteerism," Weideman recalled.

Expanding in New Directions

The Dow Sustainability Academy is Dow's flagship sustainability training, said Pflieger. Given its success, the company was inspired to expand the Academy concept to other parts of the world. In 2019, Dow launched Academies in EMEA (Europe, Middle East, Africa, India), Latin America, and the Asian Pacific region — all based on the model developed with the University of Michigan in the United States. The Asian Pacific

model was slightly different since customers, as well as employees, were participating.

The flagship Dow Sustainability Academy also provided lessons and experience that prompted the Erb Institute and the Ross School of Business to plan for two new sustainability executive education programs. Unlike custom programs tailored for large companies, such as Dow, the Ross and the Erb Institute envision that these programs would be accessible to anyone.

"Imagine that you have just been given the reigns to the sustainability agenda of a company, whether it's a startup or an established firm, whether it's small or large," suggested Árvai. "And you need to bring yourself up to speed on the kinds of issues that you're going to be confronted with when you're holding the reins of that portfolio." Our planned "Sustainability 101" course is designed for that kind of emerging leader, he said.

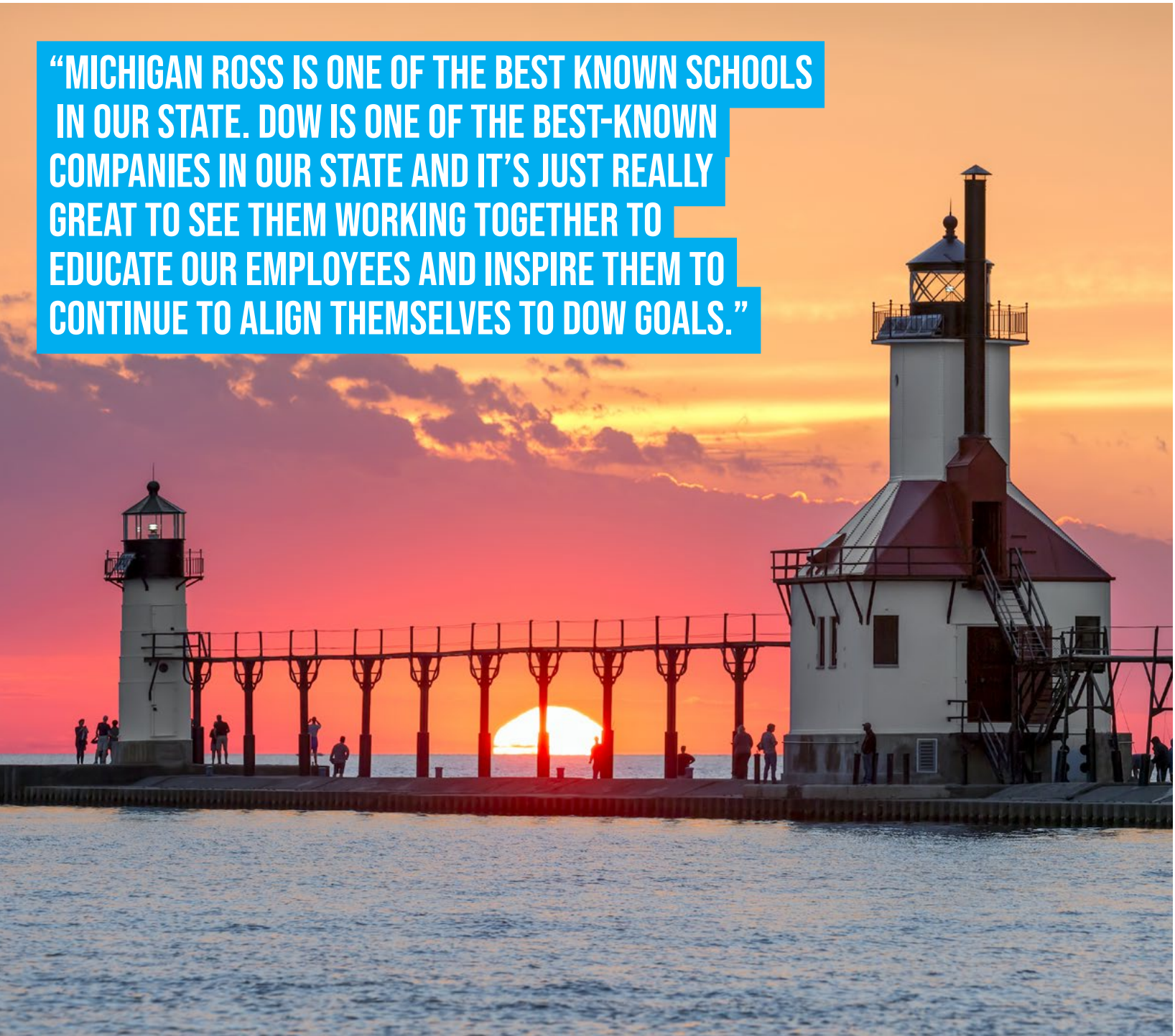
A planned Sustainability 201" program would follow for those who might have been in a sustainability leadership role for a few years and are looking for advanced tools and techniques for business and sustainability.

As for Weideman, although her project is finished, she continues to be involved with the Dow Sustainability Academy by coaching future Academy project teams "just to keep them on track, give them some guidance on resources, show where they can find more information," she said. "I want to encourage them to go outside their comfort zone and use every connection they can to make the best deliverable of their project."

Weideman believes the Dow Sustainability Academy will continue to inspire Dow employees of all different ages and functions and experience at Dow to learn more about sustainability in general and Dow's sustainability efforts in particular. "It's awesome that Michigan Ross is willing to share their expertise with us," she declared. "Michigan Ross is one of the best-known schools in our state. Dow is one of the best-known companies in our state and it's just really great to see them working together to educate our employees and inspire them to continue to align themselves to Dow's goals. And it's a wonderful experience for people to get back into an educational setting and really take the time to learn about the importance of sustainability and how we're able to contribute."

For more info the Erb Institute, visit erb.umich.edu.

For more information on the Dow Sustainability Goals 2025, visit corporate.dow.com/en-us/science-and-sustainability/2025-goals



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About The University of Michigan Ross School of Business

The Michigan Ross School of Business is a vibrant and distinctive learning community grounded in the principle that business can be an extraordinary vehicle for positive change in today's dynamic global economy. Michigan Ross' mission is to develop leaders who make a positive difference in the world. Through thought and action, members of the Ross community drive change and innovation that improves business and society. Michigan Ross Executive Education, a Financial Times Top 10 Global Executive Education Provider, delivers this mission to business professionals and corporate clients around the world.

Developing Leaders looks at the critical confluence between the provision of executive education and the real everyday needs of organizations to strengthen their management teams, their corporate performance, and their leadership.

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