

FMC Corporation

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Transcript of FMC President and CEO Mark Douglas' opening remarks before his fireside chat with Laurent Favre

Thank you, Laurent. Pleasure to be here. I really appreciate the invite.

We are going to give a few slides at the beginning relating to our ESG activities and more importantly, our sustainability activities.

So, if we could go to the next slide which is our safe harbor statement. I'm not going to read it, but it is there for the record.

If you go to the next slide, we just launched our 2020 Sustainability Report. We've been doing these reports since back in 2011 when we first started our sustainability journey.

In fact, at that time, we put a sustainability committee on our Board for sustainability to help guide the company and think through how we integrate sustainability and technology which is fundamentally as I see the platform of the company going forward.

We know it's an important topic, sustainability for our investors, but make no mistake, it's not just something nice to do. It fundamentally drives the activities of a company like FMC. Whether it's the R&D portfolio or whether it's just the economics of operations, if you can reduce waste and use less utilities, that's a good thing for your operations and manufacturing.

I would encourage you, if you're interested in this subject more deeply, our sustainability report is available at fmc.com as part of our sustainability page. The whole report is there for downloading.

So, if we could go to the next slide. These are some of the metrics we put together in 2019 relating to our targets for 2030. As you can see on the right-hand side, we are making pretty good progress. Our energy intensity, we are down 13 percent versus our target to get to 25 percent. Greenhouse gas emissions are improving.

Waste disposal, we talk about this in a different way. We are a growing company. The intent was to maintain sustainability of waste disposal at the 2018 level even though we are growing. So, you're essentially getting the growth for free when it comes from a waste perspective. We actually reduced that which is good. And then water usage for us as a chemical company is very important. It is especially important in parts of the world where water is scarce. So, using less water is much more beneficial to the environment and the confines of where we operate. We are doing very well in those areas.

I would say these targets need revision, especially on climate. We are targeting ourselves to be climate neutral, the question is by when. And that's a challenge I'm putting to the organization. So, you will see more on this from FMC going forward.

If you could go to the next slide.

Something that's at the heart of FMC and certainly as any chemical company is safety. Here we are referencing occupational safety but obviously process safety is something we consider to be equally as

important. The good news: we are on track to meet our targets in 2025. Our ultimate goal is zero injuries. And we are in 2020 at a very low level, .08. I can tell you this year, year to date, we've only had one injury. So, our rate is less than .03.

These are important metrics for a company like us. We have a passionate belief that you should come to work, work safely, and go home in the same state that you arrived, every single day. And you can see on the next slide, that clearly we've spent a lot of time thinking about safety over the last decade.

This slide shows the American Chemistry Council's view of companies that operate in America, and their safety performance. And what we did here was simply highlight the years that FMC has moved along this curve. The chart is actually 2019 but you can see where we are now. We are right at the top of the industry in terms of safety. We're very proud of this and I believe a sound company that processes safety in the right way is also very financially sound as well and you can see that in many companies that operate at the far left-hand side of this scale.

If you go on to the next slide, I would say a growing part of sustainability is the whole area of diversity, equity and inclusion. And last year in the U.S. we saw a number of significant events related to the Black and African American population and we had already been thinking about our female representation and gender balance in the company. And we've put out some pretty significant stretch goals for the company by 2027. We want to be gender neutral across the company. This is not just at the senior levels of management. This is the whole company including manufacturing,

including supply chains and all the functions and commercial. And then specific to the U.S., we have targets for Black and African American representation that are significantly different than how we look today.

And I think the most important piece of this slide is not only driving towards these goals but the fact that executive compensation is now tied to these targets. This is the first time that we've put diversity and inclusion targets into the annual bonus mix for executives and senior managers.

And then, finally when you do think about senior management obviously the most visible part of the company. We have made great progress over the last three years in raising female representation in our highest levels of the company. We are now at about 34 percent from 28 percent in 2018. We really have thought through how do we recruit, how do we retain and how do we motivate not only women but other minorities in the company.

We have now extended this to our board of directors. We have put out a proposal for how many women we will have on our board of directors. The good news is that of the last three independent directors we have put on our board, two have been women and one is an African American male. We do have a number of board members coming up for renewal over the next few years. There is no reason why we won't hit our targets to have the proportion of female directors that we believe is appropriate for a company of our size.

So, good news. A lot of progress. A lot of work behind the scenes. And I'm very pleased with where FMC is going in terms of the sustainability aspect of the company. I believe the most sustainable companies in the chemical

space will be the ones that win – not only from an economic perspective, but also from a D&I and a technology perspective as well.

So, with that short introduction, Laurent, I will turn it back to you.

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