

# ASSESSING OUR IMPACTS

FMC’s sustainability report is built on the premise that in order to address our most salient issues, FMC must collaborate with stakeholders to determine where we have the most material impacts. We therefore engage with key constituents to share ideas and discuss challenges. The input informs development of our materiality assessment, which in 2013 covered over 60 topics. The interplay between stakeholder engagement and materiality enables us to increase transparency and address high priority concerns.

## Engaging Our Stakeholders

FMC considers our stakeholders to be people and organizations that share our objectives and whom we affect in some way. As they are the target audience for this report, we asked representatives of each key stakeholder group for feedback on the 2012 sustainability report and its content. Our goal was to determine how we could increase the effectiveness of our report and deliver on our commitment to engage with stakeholders in a way that met their needs and interests.

Respondents indicated that the report was relevant and showed FMC to be on a solid path to broadening its role as a responsible business. At the same time we learned that stakeholders wanted to see more hard data and yearly comparisons, explanations about our material impacts and simplification of the language in

our report. We have listed and attempted to address these requests in this 2013 report.

Relationship-building is a constant journey and FMC is continuing to foster closer bonds with our most significant stakeholders. They are: **1**

- *Employees and prospective employees* who have a personal and professional desire to be part of a responsible organization. Current employees have a vital stake in FMC’s progress toward greater sustainability. They are concerned about and contribute to every facet of our business, including our ability to ensure a productive, supportive and safe environment in which they can enhance society’s well-being. (See pages 14-21 for more information.)
- *Business stakeholders* who seek innovations in products, productivity and resource utilization to satisfy the world’s demands. Our customers look to FMC to help improve their own sustainability. Suppliers and business partners are meeting procurement criteria that incorporate ethics, human rights, labor practices and other issues of global interest. We consider others in our industry to be valuable colleagues and actively work with them in trade associations. These organizations provide forums for sharing best practices and serve as advocates on industry’s behalf. **2**

## STAKEHOLDER ENGAGEMENT

The following table includes some of the key suggestions from our stakeholder engagement work and how we are working to address their comments.

Area for improvement	Stakeholder feedback	Ways we are addressing feedback	Ex.
TARGETS	The 2015 targets are a step in the right direction, but more specific targets on an expanded set of metrics are desired.	<ul style="list-style-type: none"> <li>✓ Working to establish specific long-term targets for more of our metrics</li> <li>✓ 2013 commitments and results and 2014 goals provided in a separate table</li> </ul>	p. 7
DATA	Stakeholders want to see increased inclusion of meaningful data and direct explanations of impacts.	<ul style="list-style-type: none"> <li>✓ Expanded reporting on environmental metrics and provided performance discussion on each metric</li> <li>✓ Increased reporting of measurable impacts in other areas of the report; will continue to work on this in the future</li> </ul>	p. 33
TRANSPARENCY	Discuss challenges in addition to successes.	<ul style="list-style-type: none"> <li>✓ Increased discussion of our challenges with use of clearer language throughout the report</li> </ul>	p. 31
MATERIALITY	Ensure reporting on issues that are most important to stakeholders and have largest impact.	<ul style="list-style-type: none"> <li>✓ Expanded engagement efforts provided improved clarity on what is material to stakeholders</li> <li>✓ Worked to allocate space in report towards most material impacts [e.g., community section now includes more information on biodiversity and stewardship vs. volunteerism and donations]</li> </ul>	p. 39

- *Communities, non-governmental organizations (NGOs) and governments* with whom we must successfully interact in order to make progress. As a chemical company we challenge ourselves every day to improve the safety and efficacy of our products. No matter what the circumstance, we want stakeholders to understand FMC's commitment to and achievements in sustainability

based on scientific facts about our products' chemistry and benefits. (See pages 39-40 for more information.)

- *Investors* who recognize that corporate responsibility in all its forms is a business imperative that adds value to our company and society.

## MATERIALITY ASSESSMENT

In this report, we discuss sustainability topics that are deemed material – or of relatively greater significance – to our business and our stakeholders. We determined materiality by reviewing over 60 issues compiled from GRI's general list of issues and CERES 21<sup>st</sup> century roadmap. We grouped these issues into categories germane to chemical, agricultural and mining companies. Based on input from our stakeholders about their priorities and input from various internal team members, we ranked each topic for its materiality. All issues were evaluated using a five-test analysis that looked at financial impacts and risks, legal, regulatory and policy drivers, peer-based norms, stakeholder concerns and societal trends, and opportunities for innovation. **3**

All topics scoring above a certain threshold on this analysis are addressed in this report. Four topics made a step change in materiality this year compared to our 2012 materiality assessment: procurement, human rights, waste and global food supply. Topics deemed highly material in 2012 and that increased in importance in 2013 are: product safety, innovation, green chemistry, financial performance, health and safety, product stewardship and public safety.

The chart below shows the main categories under which we group issues and the most material topics within that category.

