

SHAPING SUPPLIER**RELATIONSHIPS**

2012

New supplier Code of Conduct and screening process are launched

Since launch in 2012, all new suppliers are subject to the screening process and must adhere to the Code.

FRONT ROYAL FORGES FORWARD

At the Avtex Fibers Superfund Site in Front Royal, Virginia, FMC is completing over 20 years of remedial construction activities. The cleanup of the historical plant area provides land for a business development area encompassing approximately 170 acres and the creation of open space in the remaining areas, including a conservation park. Within the conservation area is a brand new water treatment plant to treat the contaminated groundwater.

The conservation park created by FMC contains areas which were once waste disposal basins and are now open fields and ponds that provide a habitat for the ever increasing biodiversity in the area. Warm season grasses native to Virginia were planted to help return this area to much the same state that existed hundreds of years ago, albeit with access to walking and bicycle trails.

Before



After



on stakeholder interests and the major global challenges FMC has defined. (See page 6 for more information.)

CDP takes into account how sustainability will be incorporated throughout a project's development and execution phases using metrics on resource intensities, efficiencies derived and long-term impacts through the project's life cycle. In 2013, it was applied to selected capital planning projects greater than \$2 million. In 2014, it will be applied to all projects over \$2 million and selected projects greater than \$500,000 will go through a "light" version of the process. One goal of the process is to make more informed, quantifiable decisions about a project's sustainability risks and benefits.

Legacy Remediation

As a company with an operating history of over a century, FMC has a number of legacy sites we are working to remediate. Our remediation strategy emphasizes community engagement when determining the best way to return former sites to productive use. **26**

Responsible Value Chain Partners

Sustainability at FMC extends into productive collaboration with our value chain partners – especially customers and suppliers. We work together on programs that drive greater responsibility, accountability and transparency.

Customer Relationships

As meaningful partners, we seek ways to help our customers meet their own sustainability goals. For example, knowing that key customers wanted more information about social responsibility in their supply chains, we developed a Social Responsibility Assessment (SRA) program. Created in partnership with a third-party audit firm, the SRA assesses performance of our sites on environmental, health, safety, labor and other aspects of our business.

Our first SRAs were conducted at Health and Nutrition sites because of their strategic importance to the interests of end consumers. We concluded two SRAs in 2013 at our Newark, Delaware, and Rockland, Maine, locations. Results have been positive thus far, with only one finding that was quickly corrected. We are planning to undertake five more audits in 2014 and are working to expand the program into selected parts of our supply chain.

Significant, existing raw material suppliers are screened against vendor management process.

2013



How does FMC define "significant" suppliers?

- ✓ Type of material
- ✓ Sole source of material
- ✓ Geographically sensitive

GOAL

All existing raw material suppliers and significant construction contractors will be requalified.

2014



Supplier Relationships

FMC believes that responsible corporate citizenship extends to our suppliers' business practices.

In 2012 FMC published its first Supplier Code of Conduct and updated our vendor management process to ensure that our raw material suppliers and contractors sourced responsibly and provided the best value and support to our businesses and communities. ²⁷

- Since publication in 2012, new suppliers are required to adhere to the Code and have gone through our screening and verification process prior to joining our network.
- By the end of 2013 all of our most significant, existing raw material suppliers were also screened against our criteria. We identified these initial suppliers based on the types of material they supply, if they were the sole source of a material, or if there were other areas of concern such as geographic sensitivity.
- In addition to continuing to use the criteria for new suppliers, in 2014 our goal is to requalify all of FMC's existing raw material suppliers and significant construction contractors who were working with us before the process was enacted. Given the large number of suppliers, a third-party auditor will undertake this screening process.

Looking ahead, we will leverage our management practices around responsible sourcing to manage supply risk and opportunities, continue to work with our supply chain partners to integrate our processes into site policies and work closely with suppliers to improve practices and drive innovation.

Regulatory Compliance

To ensure FMC's compliance with the reporting requirements of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and to

improve management of potential supplier risk, we established processes to trace materials through our supply chain. Our efforts included the development of a Conflict Mineral Policy, obtaining technical data on the composition of our materials to understand if they contain conflict minerals, and conducting further due diligence with our suppliers to understand country of origin for materials containing tin, tungsten, tantalum and gold.

In May 2014, FMC filed its report on capital Form SD with the U.S. Securities and Exchange commission, as required under the Dodd-Frank Act.

Sharing Responsibility for Resource Management

FMC's resource management projects are elements of a systematic effort to enhance visibility into and influence the impact we have on the environment and our stakeholders. We are taking steps to identify, analyze and act on opportunities to use natural resources more efficiently and to reduce our environmental footprint. We are strengthening collaboration with members of our value chain to deal effectively with some of the world's most challenging issues.



FMC Lithium's Lectro[®] Max line of customized lithium foils is used as the anode in lithium batteries. Lithium, being both the lightest and the most electronegative, provides the highest electrochemical equivalence of all metals.