

## **FMC Statement on Our Care for the Planet**

### **Climate Change**

Climate change and biodiversity loss are among the biggest threats to agriculture and food production today. Shifting weather patterns, extended drought conditions and widespread soil degradation contribute to increasingly challenging growing conditions for farmers around the world.

FMC is taking aggressive steps to address climate change and its impacts to ensure the long-term health of our planet and vitality of our company and industry.

Notably, FMC has committed to achieve net-zero greenhouse gas (GHG) emissions across our value chain by 2035. In support of this goal, we joined Science Based Target initiative (SBTi) Net-Zero Standard, which aims to keep the global temperature at no more than 1.5°C above pre-industrial times, in line with the Paris Agreement. Our near-term targets include a 42% absolute reduction for Scope 1 and 2 emissions and 25% absolute reduction in Scope 3 emissions by 2030. We received SBTi approval for our net-zero target in March 2023.

Beyond emissions reductions, FMC seeks to drive meaningful improvements in waste and water with commitments to achieve 100% waste to beneficial reuse and implement sustainable water practices implemented at all FMC sites by 2035. Water stewardship is a priority for FMC and in 2023, we became a member of the Alliance for Water Stewardship (AWS) in support of their vision for a water-secure world that enables people, cultures, business and nature to prosper, now and in the future.

Understanding the impacts of climate change on our business is inherent to our long-term success. As such, FMC supports the Taskforce for Climate-Related Financial Disclosures (TCFD) and utilizes scenario analysis to help shape our overall strategy and risk management approach. Additionally, FMC has been reporting its GHG emissions and mitigation strategy to CDP (formerly Carbon Disclosure Project) since 2016. In our CDP climate change reports, we detail the business risks and opportunities created by and due to climate change and its impacts. FMC will actively manage climate risks and incorporate them in our decision making as indicated in our responses to the CDP Climate Change Module and 10-K and recommendations outlined in the TCFD. A brief summary of these risks and opportunities follows.

As additional planetary warming is anticipated, long-term, higher average global temperatures could result in changes in availability of natural resources, growing seasons, weather patterns, species distribution, sea levels and biodiversity. These changes couple impact supply of raw materials to FMC to maintain production capacity and increase sourcing costs. In addition, extreme weather events attributable to climate change may result in, among other outcomes, physical damage to our property and equipment, and interruptions to our supply chain.

As an agricultural sciences company, we are keenly aware of the impact of climate change on our customers, the growers. Persistent temperature change in geographies with significant cultural lands may impact growers through land use change, crops suitable to cultivate, and pest presence. Shifts in pests may become more rapid and persistent with rising temperatures and increasing GHG levels. However, we see opportunities in our innovation pipeline to meet customers needs to adapt to and mitigate these impacts. For example, FMC's agricultural solutions can help customers increase yield and energy and water efficiency and decrease greenhouse gas emissions. Our solutions can also help growers adapt to more unpredictable growing conditions and the effects these types of threats have on crops. FMC has committed to invest 100% of our research and development budget to developing sustainable products and agricultural solutions for future use. We are improving existing products and developing new platforms and technologies that help mitigate impacts of climate change. These opportunities could lead to new products and services for our existing and potential customers.

Additionally, energy consumption throughout our supply chain can impact climate change and product costs. FMC has committed to net-zero GHG emissions across our entire value chain, which includes reductions across our entire supply chain. Therefore, we will actively work with our entire value chain - suppliers, contractors, and customers - to improve their energy efficiencies and to reduce their GHG emissions.

In recent years, various legislative requirements around climate change mitigation and reporting have been introduced in countries and regions FMC operates in that could impact our business. FMC is closely tracking global and regional legislative and regulatory developments, including the EU Green Deal. The regulation of greenhouse gases, depending on their nature and scope, could subject some of our manufacturing operations to additional costs or limits on operations. Some of our foreign operations are subject to national or local energy management or climate change regulations, such as our plant in Denmark that is subject to the EU Emissions Trading Scheme.

Future GHG regulatory requirements may result in increased costs of energy, additional capital costs for emissions control or new equipment, and/or costs associated with cap and trade or carbon taxes. We are currently monitoring regulatory developments. The costs of complying with possible future climate change requirements are difficult to estimate at this time.

## **Water**

Water scarcity is a critical issue that impacts the health and wellbeing of people globally. FMC recognizes that chemical manufacturing and agriculture are water-intensive industries and is committed to being good water stewards and managing water resources responsibly in the communities which we live and work. We are focused on reducing water consumption in our manufacturing processes as well as ensuring our water practices support local communities, watersheds and address shared catchment water challenges.

To achieve our goal of implementing sustainable water practices at all FMC operating sites by 2035, FMC will follow the Alliance for Water Stewardship (AWS) five-step process intended to achieve specific outcomes for each site and its physical scope: good water governance; sustainable water balance; good water quality status; important water-related areas; and safe water, sanitation and hygiene for all (WASH). FMC will prioritize manufacturing sites in high-risk areas, as defined by the WRI Water Aqueduct Water Risk Atlas.

As a chemical company, FMC is reliant on water to manufacture our products, including its use as a coolant, solvent and cleaning agent. FMC is committed to working with our contract manufacturers, suppliers and customers to extend sustainable water practices across FMC's entire value chain.

Innovation is at the heart of FMC's commitment to sustainable agriculture and farmers around the world. This innovation helps provide solutions to a water-intensive industry, as – according to the World Bank – agriculture currently accounts for 70% of all freshwater withdrawals globally. Our product portfolio offers market opportunities for our products to address climate change and its impacts on water availability. FMC offers innovative products to advance water stewardship, including products that require significantly less water to manufacture and apply, unique application systems that can reduce water use and product formulations that can be used with drip irrigation and other water-saving techniques. Our solutions can also help growers adapt to more unpredictable growing conditions and the effects these types of threats have on crops.

FMC has committed to invest 100 percent of our research and development pipeline budget to developing sustainable products and solutions for future use.

FMC recognizes our unique position to advance water stewardship globally with our manufacturing footprint and product portfolio and we are committed to achieving our water-related goals. FMC is aligned with the UN Sustainable Development Goals (SDGs) #2 (Zero Hunger), #13 (Climate Action) and #15 (Life on Land) and acknowledges the human right to water and sanitation.

## **Biodiversity**

The impacts of climate change on nature are vast and varied, and action must be taken to preserve vital ecosystems and prevent biodiversity loss in line with the Global Biodiversity Framework adopted during the United Nations Biodiversity Conference. FMC continually monitors risks and issues related to biodiversity and invests in product innovation, programs and partnerships to promote biodiversity protection.

Crop protection products play a vital role in maximizing crop yields on existing farmland, minimizing land use change, which remains one of the largest drivers of biodiversity loss today. Farmers around the world face productivity challenges as destructive insects, diseases and weeds can cause major crop failures. Without solutions to protect crops, we would need to bring more land into agricultural production to feed a growing population. Aligned with UN SDG #2 (Zero Hunger), FMC believes the judicious use of crop protection products are necessary to achieve this goal.

FMC further recognizes the importance of ensuring the products we provide farmers are increasingly sustainable. FMC committed to invest 100% of our R&D spend on developing sustainably advantaged products. To achieve this, we use FMC's award-winning Sustainability Assessment Tool to evaluate products in FMC's development pipeline to benchmarked products on the market with a focus on six major global challenges: Food Expectations, Health and Safety Expectations, Scarce Resources, Climate Change, Land Competition and Environmental Consciousnesses. Products in development are considered sustainably advantaged if they are better than the benchmark in at least one of the six areas but do not retreat in any of the five other areas.

Additionally, FMC's growing portfolio of biological products gives farmers effective tools to control destructive pests while minimizing environmental impacts. Biologicals, derived from living organisms and naturally occurring compounds, have excellent sustainability profiles. They can be used as part of an integrated pest management (IPM) program with precision agriculture technologies that help farmers precisely target a pest infestation. For these reasons, they can play an important role in improving crop yields while protecting biodiversity on the farm.

Furthermore, FMC is the only crop protection company to have committed to not developing any new High Hazardous Pesticides (HHPs) and we continue to phase out HHPs from our product portfolio. We define and evaluate HHPs using the criteria and process defined by the United Nations Food and Agriculture Organization (FAO), which is the globally accepted regulatory classification system. Additionally, we continue to actively review our portfolio according to the FAO process, taking action to phase out newly identified HHPs where alternatives exist. Where no effective alternatives exist to protect crops from devastating infestations, risk assessments and product stewardship programs for the very few remaining HHP products in specific countries are in place so that they can be managed safely.

FMC recognizes the role of strong product stewardship in mitigating biodiversity risk and promotes stewardship at each stage of the product life cycle. Stewardship priorities are built into R&D, portfolio and marketing strategies. For example, the product stewardship due diligence process, conducted for products in development or for alternative use of a product, in-house experts review risk factors and provide mitigation measures associated with human exposure, environmental exposure, storage,

transportation, preparation and application procedures. FMC recognizes the importance of grower engagement, and provides trainings, tools, resources, and support to our customers to promote the safe and responsible use of our products.

FMC prioritizes promoting pollinator health, engaging in long standing partnerships and programs to help promote biodiversity and protect key pollinators that are vital to the success of farmers and food production globally. Pollinators support an estimated 35% of the world's food crops, including nearly \$20 billion of crop value in the US annually. FMC collaborates with entomologists and biologists to address factors that affect pollinator health and has joined several key initiatives to protect pollinators, including initiatives to protect honeybees and support the revival of monarch butterfly populations. In addition, FMC has planted pollinator habitats at multiple locations globally, in consultation with key partners. FMC's efforts in promoting pollinator health support sustainable agriculture and protect the natural ecosystems that are crucial for food production.