# Sustainability Roadmap

Empowering the world with essential innovations to thrive

# < DUPONT >

## Introduction

DuPont has a renewed energy and a new purpose to empower the world with the essential innovations to thrive. Our ability to bring sustainable solutions to market is an absolute expectation of our customers, our shareholders, our employees and our communities. To fulfill our ambitions, nothing short of bold thinking and more importantly, bold doing, will get us there.

Our complex, hyper-connected world is changing fast and the sustainability challenges the world is facing are evolving even faster. As a founding member of the World Business Council for Sustainable Development, DuPont has been a sustainability leader for decades and committed to using a science-based approach to our innovations and our goals. It is how we contribute to solving the world's biggest challenges.

This paper details the work we are currently doing to achieve these ambitions. It is a guidepost for our company, our customers and our partners, so together we can get to smarter solutions, faster. Later this year, we will share a bold set of sustainability goals to take us through the next decade.



## **Executive summary**

"For decades, DuPont has demonstrated an unwavering commitment to reducing our environmental footprint and incorporating sustainability measures into our business strategies. Sustainability is a key market driver and growth lever for us."

- Marc Doyle, Chief Executive Officer, DuPont

As the new DuPont, we are elevating our commitments in every dimension of our company, reimagining the ways in which we help solve the world's most challenging problems. Each of our businesses offers specialized products and sustainable technologies that span multiple industries, specifically tailored to address megatrends like climate change, circular economy, water stewardship and health and wellness.

Our horizon for the next set of sustainability goals is 2030. To set our course for the next decade and beyond, we conducted a materiality assessment with input from a broad range of internal and external stakeholders to understand the most important impacts DuPont can have on society, the economy and the environment.



170+ Manufacturing sites



10+ Global R&D centers

growing circular economy.



35,000+ Colleagues



**Operating in 70+ countries** 

\$22.5 billion 2018 sales by business segment Transportation Nutrition Electronics Safetv & Biosciences & Industrial & Imaging & Construction 3.6 billion 5.3 billion 6.2 billion 5.4 billion High-performance resins, Leading technologies to From first responders and World-leading provider of enable smaller, smarter and industrial workers to water. innovative and sustainable solutions for the food easier electronics, transform buildings and transportation enable material systems and health industries and solutions for aerospace, performance solutions to keep cleaner bio-based quality printing to packaging people safe and operations solutions that support a demanding environments. and textiles.

running smoothly.

\* Includes \$2.0 billion in revenue from non-core businesses

#### For maximum impact, we are focusing on three connected strategic areas





**Innovations to Thrive** 

Create sustainable solutions to society's most pressing challenges.





#### Sustainable Operations

Deliver end-to-end world-class performance in safety, resource efficiency and environmental protection.





#### People and Well-being

Enable the health and well-being of people and communities and advance diversity and inclusion.

The consensus was clear-DuPont must leverage its science and market strength to address some of the toughest, most intractable problems the world faces. We are resolutely focused on using our innovation engine to advance progress on several of the United Nations' Sustainable Development Goals (SDGs), increasing resiliency and impact across our value chains, and ensuring we put people at the center of all our work.

This exploration has contributed to the strategy and choices we pursue as a purpose-driven company dedicated to advancing sustainable development and improving lives all over the world.

Working across these strategic areas requires shifts in behavior, investment choices and robust engagement with all our stakeholders. While we are committed to sustainable operations and advancing holistic well-being, our biggest opportunity to create a better world is through our innovations. We firmly believe that strong performance across all three dimensions will enable us to boldly embrace our renewed purpose and maximize the impact DuPont science can bring to the world.

As we prepare for the launch of our new sustainability goals later this year, we remain focused on achieving sustainable growth for our company by innovating to meet the needs of our customers and society, exhibiting exceptional environmental and safety performance and being a positive force in the lives of our employees and communities. We will report on our progress, our challenges and our insights and hope that you, our valued stakeholders, will join us as we advance sustainability across our organization and our value chains.

## A purpose-driven company

DuPont aspires to be a premier innovation-driven specialty company. Our businesses serve attractive end markets supported by global trends addressing vital human needs. We invent and refine the advanced materials and ingredients that are fundamental to developing these essential products and solutions. Our global scale, trusted brands, and unique product portfolio, make us the partner of choice for leading companies worldwide.

Our purpose — to empower the world with the essential innovations to thrive — describes how we will use our passion and proven expertise in science and innovation to create sustainable solutions for the complex challenges facing our world. Over the course of DuPont's long history, we have proven repeatedly that the most valuable and enduring business outcomes are the ones that are beneficial to society and keep the planet thriving.

#### Our core values remain foundational

Our core values reflect the longstanding commitments of our heritage companies, demonstrate our steadfast commitment to our people and the planet, and exemplify the way we operate. These values are timeless and foundational to build a credible sustainability strategy that will position the DuPont for long-term growth, strengthen and preserve our connection within the local communities, and make us the company of choice for the best and brightest talent.





Respect for people



Protect the planet



Highest ethical behavior

# Sustainability strategy development

In 2018, DuPont conducted a company-wide materiality assessment to help inform the strategic focus areas for our next generation of sustainability goals. Through assessment workshops with internal and external stakeholders, we evaluated long and short-term risks and opportunities in our operations and value chains, capturing a rich and diverse set of viewpoints. Analysis of feedback from multiple stakeholders led us to several priority areas — those offering the greatest opportunity to deliver business value, those that help increase resiliency across our value chains, and those that enable people and societies to thrive.

Several of these priority areas, like climate change, circular economy and water stewardship must be addressed through innovation, operational excellence, and new collaborations with our business partners.

Based on the collective input we received from our stakeholder groups, we developed a framework to focus on the areas of greatest impact and allow for integration across these dimensions.



Our sustainability framework has three strategic focus areas: **Innovations to Thrive, Sustainable Operations, and People and Well-being**. These areas support our company growth strategy, provide common ground for our diverse businesses, and serve as a roadmap for setting ambitious sustainability goals that will address our most critical sustainability areas.

#### **DuPont sustainability strategy for impact**

#### 🖇 Innovations to Thrive

Create sustainable solutions to society's most pressing challenges.

#### LA Sustainable Operations

Deliver world-class, end-to-end performance in safety, resource efficiency and environmental protection.

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of people and communities and

People and Well-being

Safety & health

Respect for people

Highest ethical behavior

Protect the planet



well-being

"We invest in areas where we have an outsized ability to positively impact global challenges with our science and innovation."

innovation

- Alexa Dembek, Chief Technology & Sustainability Officer, DuPont

### Create sustainable solutions to society's most pressing challenges

stewardship

change

economy

We agree with our stakeholders that the largest positive impact we can have as an innovation leader is rooted in our experience and ability to deploy scientific solutions that catalyze a more sustainable world. From better, safer probiotics that support the body's immune system, to innovations for electric and autonomous vehicles, and new technologies that enable life-giving medical care and access to clean water, our businesses work with customers and industry leaders to help build a safer, healthier and more sustainable world for all.

We are using the U.N. Sustainable Development Goals (SDG) as a guiding set of principles to understand what the world needs action on, now. Within the 17 SDGs, we have identified seven with the strongest alignment to our science and markets and where we are confident we have the ability to impact change at scale (refer to graphic). Even as our business and product portfolio evolves, these global goals will continue to be used as a source of worldwide consensus on sustainability priorities for our scientists and engineers to work toward innovative solutions.



& transparency

~\$900mm annual 2018 R&D investment



~25% of 2018 net sales were from new products launched in the last 5 years



10+ global innovation centers

#### Our innovation growth platforms support progress on seven United Nations Sustainable Development Goals



By concentrating our innovation efforts in the ten strategic areas depicted in the circles above, we advance progress on seven SDGs. We collaborate with our suppliers, customers and like-minded companies from all sectors to ensure that our solutions enable sustainable development now and into the future.

Meeting stakeholder expectations requires integrating sustainability into our investment choices, R&D and innovation management processes. Integral to this work is incorporating lifecycle thinking and sustainable design criteria into our product development processes in the early stages. Refining our ability to assess and improve lifecycle impacts will help us fulfill our commitment to ensure our products and manufacturing practices are sustainable for our communities and the planet.

We continue to evolve our understanding of public concerns regarding our products and operations, and we respect the feedback we have received from our stakeholders. We appreciate that we cannot rely solely on science and regulations to guide our decision-making processes, so we implement product stewardship standards that go beyond compliance to ensure that safety and transparency remain our top priorities. DuPont aspires to lead in cutting-edge science and commits to advance the development of sustainable solutions. We do this by actively engaging the global scientific community in dialogue and collaborations that enable alternative solutions to substances of concern.

We collaborate with suppliers, customers, governments and other partners along the value chain to create scalable global solutions. Our global network of Innovation Centers and R&D facilities allows us to conveniently engage our stakeholders on sustainability challenges and collaboration opportunities. These partnerships will lead to the development of new products and applications that will help transform markets and industries, leading to a more sustainable global economy.

#### **Innovations in Action**

We work with our customers to tackle global challenges, bringing life-enhancing solutions to market.



#### Transforming wastewater into drinking water

By 2025, an estimated 1.8 billion people will live in areas plagued by water scarcity, with two-thirds of the world's population living in water-stressed regions. Southern California's Orange County Water District's Groundwater Replenishment System utilizes DuPont's FILMTEC<sup>™</sup> reverse osmosis membranes to treat and transform wastewater into over 100 million gallons of clean drinking water every day. FILMTEC<sup>™</sup> reverse osmosis elements clean roughly 14 liters of water per minute for each man, woman, and child on the planet.



#### Reducing emissions in transportation

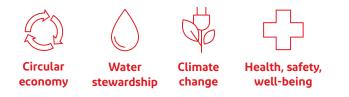
The transportation sector is the fastest growing generator of greenhouse gas emissions worldwide, accounting for about 23 percent of total global carbon dioxide emissions. DuPont is improving motors and batteries in electric vehicles and replacing heavy metal automotive parts with lightweight, high-performance transportation resins. Our technologies enable vehicle improvements for safer, more fuel-efficient, and lower emission transportation, supporting a lower carbon economy.



## Promoting sustainable, healthy and nutritious food

Globally, one in nine people in the world today are undernourished, and about one-third of all food produced in the world is wasted. DuPont's HOLDBAC<sup>®</sup> Protective Cultures help keep fermented dairy products fresh up to three times longer without compromising taste. By increasing the shelf life of food products, we are reducing the amount of food waste, minimizing environmental impacts, and ensuring that more fresh, nutritious food makes it into people's homes.

## **Sustainable Operations**



"We remain committed to the protection of our people and planet and will collaborate across our value chains to advance sustainable operations."

- Daryl Roberts, Chief Operations & Engineering Officer, DuPont

#### Deliver end-to-end world-class performance in safety, resource efficiency and environmental protection

Operating our labs, offices and manufacturing sites sustainably is mandatory for doing business in our resource constrained world. We uphold the longstanding core values on which DuPont was founded by living our commitment to safeguard our workforce and the environment, especially in our local communities.

As we examine the combined footprint that makes up DuPont, we are formulating commitments that continue to reduce our environmental impacts, including water, waste and energy optimization. Water stewardship is becoming increasingly important as scarcity and quality concerns continue to grow.

We know that climate science is compelling and requires proactive energy strategies. Our businesses are enacting greenhouse gas emissions reduction programs in line with science to put us on a trajectory to continuously lower carbon emissions. Understanding where and how we can increase the use of renewable energy in our operations and throughout our value chains will be another critical part of our work in abating the effects of climate change.

Circular production models enable business growth while minimizing the use of virgin resources. Adopting these models will allow us to optimize the use and reuse of resources and ultimately reduce the amount of waste and emissions that are generated. We are ramping Since 2008, DuPont's Bold Energy Plan completed more than 2,200 projects, saving the company more than \$350 million year-over-year and reducing CO<sub>2</sub> emissions equivalent to taking ~300,000 cars off the road for one year

up our activity in this area by engaging in strategic partnerships and taking a more holistic view of how we design and manufacture our products.

We also recognize the importance of looking beyond our own operations to advance progress on critical issues. We will expand upon the work we do with our suppliers, distributors, and other partners to reduce environmental, health or safety (EHS) impacts that occur across our value chains, from end to end. DuPont recently joined the Sustainable Purchasing Leadership Council (SPLC), a nonprofit organization whose mission is to support and recognize procurement leadership that accelerates the transition to a prosperous and sustainable future. We are engaging in advocacy initiatives like the CEO Climate Dialogue, a collaboration between corporations and NGOs working together for effective climate legislation.

We are committed to building off our strong foundation of EHS excellence to deliver aspirations and targets that help us continue to raise the bar on footprint improvements.

#### **End-to-End Sustainability**

Operating sustainably goes beyond optimizing our own footprint. We partner with suppliers, customers and other businesses to reduce environmental impacts across the value chain.



#### Moving towards carbon neutral facilities

As of 2017, DuPont's site in Grindsted, Denmark, is 100 percent carbon neutral. After replacing all former coal-fired fuel sources with wood chips, the site has reduced its carbon dioxide (CO<sub>2</sub>) emissions by 45,000 tons. The facility produces surplus heat that is delivered back into the local community, avoiding additional CO<sub>2</sub> emissions in that system as well. As a result of this work, the site expects to reduce emissions by 64,000 tons of CO<sub>2</sub> equivalent per year.



#### Sourcing sustainable ingredients

DuPont is one of the world's largest buyers of seaweed for hydrocolloids. We work with seaweed farmers and harvesters in Southeast Asia, the Western Indian Ocean, and along the coast of Norway to adopt sustainable practices in planting, growing, and harvesting seaweed. Our team of experts partners with organizations like the New England Aquarium to responsibly source carrageenan and alginate, used as thickeners and active ingredients in many foods and pharmaceuticals.



#### Contributing to a circular economy

DuPont's production process for DuPont<sup>™</sup> Nomex<sup>®</sup> fibers yields a secondary product, hydrochloric acid, that is traditionally not considered to be marketable. DuPont partnered with Gonvarri Steel Services to create a beneficial use of this byproduct, eliminating both the byproduct waste and the required neutralization process. This initiative also significantly reduces annual water use, electricity consumption, and ground transport.



"Promoting a respectful and inclusive culture and having a positive presence in our communities are essential elements in the new DuPont."

- Darrell Ford, Chief Human Resources Officer, DuPont

#### Enable the health and well-being of people and communities and advance diversity and inclusion in our workforce and beyond

We are committed to maintaining an engaged, fulfilled and healthy workforce. Through our core value of Respect for People and inclusive culture, we encourage each colleague to leverage their unique talents each day, driving innovation and competitive advantage for our business. We will continue to invest in employee development and support internal networks like our Employee Resource Groups that enhance our people capabilities and our organizational diversity. We are also proud to sign on to the CEO Action for Diversity & Inclusion<sup>™</sup>, the largest CEO-driven business commitment to advance inclusion and diversity in the workplace.

We remain dedicated to promoting safety, health and well-being with our employees both on and off the job. This increases our ability to attract the best talent, while sustaining the vitality of our employees and the communities around them. We will continue investing in fitness, healthy eating and mental health resources that help our employees thrive at work and maintain balance with their family needs, community obligations and personal interests.

We look forward to sharing progressive new goals that advance our pursuit of excellence in diversity and inclusion and enable the health and well-being of people and communities we serve.



#### **Community impact**

We are committed to remaining a positive presence in the communities in which we live and work, while helping to make meaningful differences in the lives of people around the world. Community Impact at DuPont will leverage our world-class science and innovation capabilities to create solutions in our global communities. Drawing from the skills, passion and expertise of roughly 35,000 DuPont employees, we will engage in impact-focused partnerships with customers, suppliers and NGOs that address the specific needs of our global communities.

For instance, we plan to build on our commitment to STEM initiatives that create and nurture the next generation of inspired thinking to help solve the world's most critical challenges. We continue to foster a 30+ year relationship between Habitat for Humanity International and our Safety & Construction business by donating our construction solutions and know-how, as well as employee volunteers, to help build sustainable, affordable homes for communities in need.

#### **Protecting People and Enhancing Well-being**

Our employees, our communities, and people everywhere deserve to be healthy and safe. We work to make sure both our presence and our products create a positive impact in the lives of people everywhere.



#### Contributing to workplace health & wellness

DuPont's Integrated Health Services promotes the health and well-being of our employees from hire through retirement. Maintaining a healthy workforce maximizes productivity and minimizes medical treatment costs, unleashing our competitive potential while exemplifying our core value of Safety and Health and executing our Duty of Care. Wellness offerings and programs include supportive information about nutrition, fitness and much more.



#### Driving impact in our communities

DuPont provides physical and emotional warmth, confidence, and hope to low-income children in Wilmington, Delaware. Employee volunteers helped 300 children "shop" for brand new winter coats and hats. We also donated hats produced with DuPont materials. A corporate grant supports year-round operations for Operation Warm.



#### **Building energy efficient homes**

DuPont partners with Habitat for Humanity to provide safe, affordable, and energy-efficient housing for people worldwide. Each year, hundreds of DuPont volunteers help to build new houses or rebuild and revitalize neighborhoods around the globe. DuPont also provides grant funding and donates our energy-efficient building products, including WEATHERMATE<sup>™</sup>, Styrofoam<sup>™</sup> insulation, and GREAT STUFF<sup>™</sup> insulating foam sealant.

## Sustainability governance

Executive responsibility for sustainability performance in the new DuPont sits with the Chief Technology & Sustainability Officer (CTSO). The CTSO role was created specifically for DuPont to capitalize on the intrinsic link between sustainability and innovation in our operating model.

To ensure robust governance, the CTSO reports directly to the CEO and engages the Environmental, Health, Safety & Sustainability Sub-Committee of the Board of Directors on matters of sustainability. With a group of highly capable and engaged leaders serving on our Board of Directors, we look forward to strong governance and executive oversight that will help quide DuPont on a path of sustainable and responsible growth.

Board of Directors Chief Executive Officer



Sustainability Oversight Committee Chief Technology and Sustainability Officer



Sustainability Leadership Council

## Next steps

Our three strategic focus areas — Innovations to Thrive, Sustainable Operations, and People and Well-being support our company purpose and ambitions, providing the framework to address the diversity and richness of our evolving portfolio. We have laid the ground work for initiating a comprehensive goal development process; we are establishing performance baselines and working with internal and external subject matter experts to develop credible, quantifiable and ambitious goals.

Later this year, we will publish our 2030 sustainability goals. We pledge to transparently report on our progress toward our goals, including publishing an annual <u>sustainability report</u> that follows the GRI Standards framework and the UN Global Compact. We will also continue to publish our <u>public positions</u> on key issues and engage in constructive dialog with interested stakeholders.

Our reporting is just one part of a two-way conversation with our stakeholders. We remain open and receptive to feedback and advice to guide us on our journey. Progress will come faster and deliver more impact if we collaborate broadly and openly. We feel more confident than ever before that we can invent both a better future and a better now.

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