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THE DUPONT SUSTAINABLE SOLUTIONS SAFETY & SUSTAINABILITY FORUM

DUBAI, 24 SEPTEMBER 2013



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As business leaders, we are struggling against the current unpredictability in the global market, caught between the need to reduce costs while also ensuring safety and sustainability in the workplace. It is during times like these that we can be tempted to underestimate the value of safety and sustainability. The purpose of this Forum was to show that now is the most important time to focus on safety and sustainability, as it should be part of everything we do if we want to ensure our business success.

Within this context, the pursuit of sustainable growth has become more complex, with increasing pressure to measure environmental and social performance along with traditional financial results.

This is the more comprehensive **triple bottom line** approach to measuring business success. That means protecting and developing people, protecting the environment and maximizing profitability.

Sustainable growth is critical for the long-term success and viability of an organization. Sustainable growth means creating value for our shareholders, as well as for society, while reducing our environmental footprint. Therefore, sustainability cannot be an afterthought. It has to be a priority. And it has to be integrated into everything we do as a company every day.

At DuPont, we know sustainable growth can best be achieved through an integrated approach that aligns operations performance and culture with management systems that link collaboration, innovation and technology.

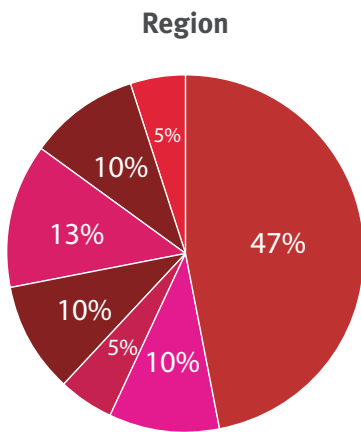
There are four key requirements to achieving sustainable growth. They are: **leadership, people, innovation** and **collaboration**. And each of these concepts was discussed during the Safety and Sustainability Forum.

If we are truly successful in implementing sustainable business practices, we will no longer need to use the word “sustainable.” We will simply talk about business practices. Because it will be understood that sustainable practices are the only ones that will keep a business growing and thriving.

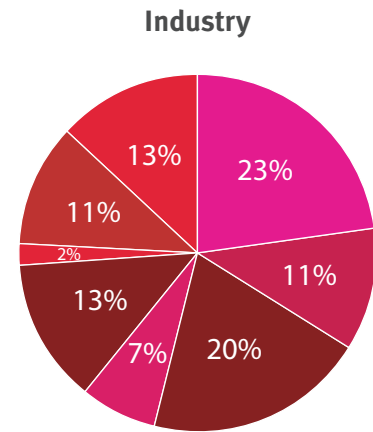
Jim Weigand, President, DuPont Sustainable Solutions

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THE AUDIENCE



Middle East 47%
 Asia Pacific and Australia 10%
 Central and South America 5%
 Eastern Europe & Russia 10%
 North America 13%
 Western Europe 10%
 Africa 5%



Chemicals 23%
 Food & Nutrition 11%
 Manufacturing 20%
 Mining 7%
 Oil & Gas 13%
 Transportation 2%
 Utilities 11%
 Other 13%

EXECUTIVE SUMMARY

During the course of the day, the components of building a sustainable business were discussed from several unique angles. To summarize, here are a few key takeaways which are expanded upon in each panel summary:

- Sustainability performance equates to business performance, which leads to the creation of additional shared value. Shared value is defined not only as the bottom line of the balance sheet, but also as the value the organization brings to the communities in which it operates, the natural environment and to its own reputation.
- Organizations must go beyond compliance to achieve sustainable growth. This requires an effective culture and mind-set.
- There are four key requirements to achieving sustainable growth - leadership, people, innovation and collaboration.
- Leadership is an enabler to creating the appropriate culture and tapping the immense resource found in the organization's people.
- Leaders must simplify messages and communications in order to align the organization on the vision, engage employees and motivate employees to execute against the vision.
- Sustainability has two dimensions: the environmental dimension and the social dimension. The social dimension is the more difficult, yet more impactful, dimension to address because it factors in the human element.
- Doing more with less requires that organizations have less impact on the community, less impact on the environment and less impact on the resources upon which we rely. Collaboration, both within the organization and beyond the organization, is a key component to doing more with less.
- Collaboration (the joint effort to achieve common goals), both internal and external, is a value accelerator which can increase the speed of execution towards the organization's objectives.
- Operational discipline actually releases time, energy and resources. It does not hinder an organization's flexibility and adaptability, it actually facilitates it. Operational discipline is intensely executional and is a motivator for employees.

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EVOLVING BEYOND THE LICENSE TO OPERATE

Panelists

Davide Vassallo, Global Practices Leader, Consulting Solutions, DuPont Sustainable Solutions

Rafael Benke, Head of Corporate Affairs, Vale

Kerry Ross, Group HSE Manager, Emirates Airlines

Harmut Reinke, Director Europe, Middle East & Africa, DuPont

Recent manifestations of stakeholder demand have shown that corporate mind-sets have shifted from “doing less harm” to “doing more good”. While commendable, much of the motivation continues to be driven by reputation, license to operate or positive brand association. As such, companies are missing an opportunity to leverage sustainability to deliver greater efficiency, enhance competitive advantage and spark innovation – which are all drivers of profitability.

There exists today, two extremes of behavior for leaders as it relates to sustainability: those who see the sustainability challenge as an opportunity and use it to innovate and generate value, and those leaders who delegate the responsibility for change to the government and external authorities. The former is about embracing the sustainability challenge and using it as a platform to innovate and the second is more about compliance.

Evolving beyond the license to operate is still a strategic option today and is operationalized by those leaders who see sustainability as a way to innovate and generate value for their organization and society at large. To move an organization towards sustainable growth requires the ability to mobilize an entire organization in a direction that can realize profit and generate value for society.

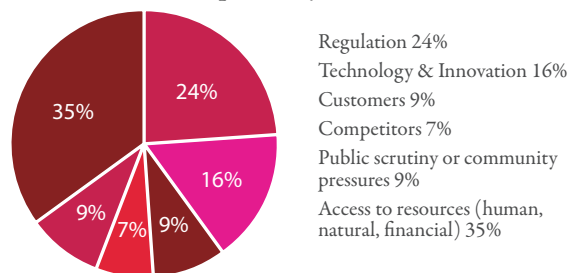
Two assumptions exist today that must be challenged by strong leaders. The first is that legal guidelines and regulations are in place to ensure compliance with environmental standards. This is not true, as

evidenced by a statistic released from the United States Environmental Protection Agency, which noted that in 2011, the U.S. saw the highest number of civil penalties for environmental pollution.¹ In addition, the European Chemical Agency conducted a survey in 2012 and found that 67% of European organizations were not compliant with the REACH directive.²

The second assumption that leaders must challenge is that the Return on Investment in sustainability is only seen in the long-term and it is intangible. We as leaders must be willing to challenge the status quo in terms of moving our organization towards sustainable growth and measuring the positive impact sustainability has on the bottom line and in the communities in which we operate. Leadership and people are critical to evolve and to create long lasting value for society.

Audience Poll

From where do your sustainability challenges primarily arise?



¹Office of Enforcement and Compliance Assurance, United States Environmental Protection Agency. “Fiscal Year 2011 EPA Enforcement & Compliance Annual Results”. Washington DC, December 2011.

²European Chemicals Agency. “Forum REACH-EN-FORCE 2 Project Report: Obligations of downstream users – formulators of mixtures”. Helsinki, 2013. REACH is the Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. It entered into force on 1st June 2007. It streamlines and improves the former legislative framework on chemicals of the European Union (EU).

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Participants believe that Access to Resources and Regulation are the primary obstacles to achieving their organization’s sustainability goals.

The panelists discussed compliance at length and agreed that organizations must go beyond compliance to achieve sustainable growth. Many organizations assume that regulations are already in place in the regions in which they operate, but this is not always the case. In addition, compliance and the communities in which we operate are interrelated.

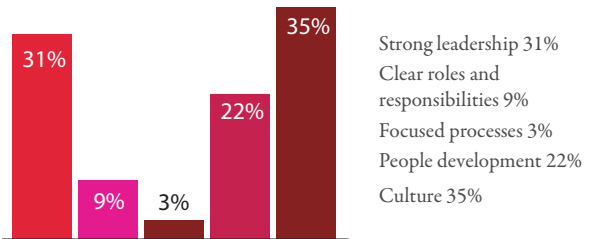
Panelists noted that compliance is not only comprised of external regulations and legislation, but also the internal standards and rules that organizations create internally for themselves. In order to ensure compliance with internal principles, within a global organization with multiple jurisdictions and nationalities, it was suggested:

“An organization must have a common language, a simple set of rules that employees can refer to.” - Hartmut Reinke

“The organization must plan to have checks and balances, audits and inspections to make sure it’s compliant. (At Emirates) we have a lot of processes and systems in place to ensure compliance. As a result, we can identify where we need to target resources for education and training.” – Kerry Ross

Audience Poll

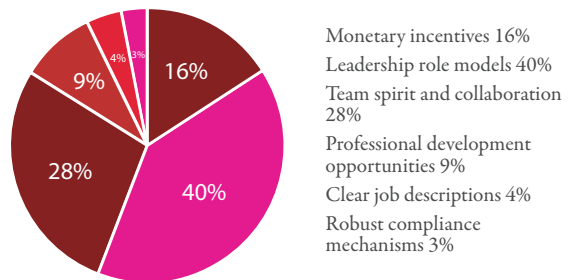
What is the biggest challenge in mobilizing your company to address sustainability challenges and opportunities?



The audience responded that Strong Leadership, followed by People Development, present challenges in mobilizing their organization to tackle sustainability challenges and opportunities.

Audience Poll

What is the strongest motivator for employee engagement in sustainability?



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Leadership role models are the best motivator for employee engagement in sustainability. The panelists noted that one of the biggest challenges to operationalizing sustainability is instilling the right behaviors, particularly when employees are living around the globe with vastly different cultures. Leaders must set a common vision and clearly communicate a set of rules and principles that are clear to everyone in the organization. The proper tools and training must be provided to employees to educate them on how to uphold these rules and principles. Open discussion and sharing of knowledge throughout the organization is key.

“Leadership is not just management. Leadership is everyone in the organization.” – Hartmut Reinke

“We need to train and educate employees to achieve empowerment. If we empower staff and management, they will take ownership and responsibility for safety and sustainability.” – Kerry Ross

The panel also noted that balancing the triple bottom line – people, planet and profit – is a challenge to operationalizing sustainability. “Planet” must be integrated and prioritized within an organization’s business strategy. And the social pillar, the impact the organization has in the community in which it operates, is often overlooked.

“The community is the bedrock of existence for a company. If you have a strong bond with your community and you develop your operations well within a community, you have a sustainable company. Understanding the baseline when you arrive, determining a vision together with this community and working towards this vision with the community is very important to your organization’s success.” – Rafael Benke

“It’s very important to define what your organization can give back to the community. Ask yourself, what are the strengths of my company and how can I share those strengths with the community?” – Hartmut Reinke

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UNLOCKING VALUE BY DOING MORE WITH LESS

Panelists

Simon Herriott, Managing Director, Global Consulting Solutions, DuPont Sustainable Solutions

Gordon Lambert, Vice President, Sustainable Development, Suncor

Andrew Sharman, Director Environment, Health, Safety & Risk Management, Owens-Illinois

Rich Angiullo, DSS Principal Consultant, Former Vice President and General Manager, DuPont Fluoroproducts

Janet Asherson, EHS Advisor, International Organization of Employers and Member of the ILO Governing Body

Business is more and more complex: diverse geographies and supply chains, multiple stakeholders such as communities, investors and employees, with different expectations. Stakeholders expect companies to deliver more shared value (to protect, extract and create value) by being more productive and profitable and at the same time by managing operational risks along with social and environmental interests. “Doing more with less” may lead one to think about productivity and cost initiatives. However, in the context of sustainability, it may mean doing more with a reduced footprint, or less impact on the community and with better utilization of finite resources. Companies must find innovative ways to organize, manage and engage people, deploy technology and use information to create the best opportunity for these expectations to be met.

“It is against the law of physics to do more with less, unless the “less” is better.”

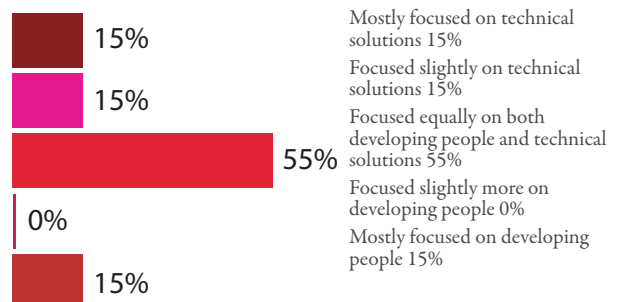
– Janet Asherson



“Sustainability needs to be a framework on which we grow our business, rather than a goal we aim to achieve. Thinking about sustainability as the framework for business, versus an initiative, not only leads to altruistic benefits, but can facilitate collaboration and improved business performance and growth” – Andrew Sharman

Audience Poll

In your efforts to unlock value, how focused is your organization on developing the capability of people versus implementing technical solutions?



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Technology is no longer the only solution to unlocking value and improving business performance. It is a combination of leadership, people engagement and collaboration that defines the new “doing more with less”. The mind-sets and behaviors of employees must be changed and the capabilities of the organization leveraged and improved in order to bring about a culture change. It is the role of the leader to initiate this change in the organization. The leaders must engage employees by communicating the values of the organization very clearly and ensuring employees are aligned on these values. In order to unlock value, leaders must engage employees and employees must take ownership for and align their personal values with the organization’s vision and values.

“People are the ultimate resource and solution to improve our business performance.” – Rich Angiullo

“We need to engage people to think about how we manage risks to the planet and how we build value through profit.” – Andrew Sharman

“To do more with less, we must engage the workforce. They know what the company does and how to do it. Through their know-how, people can help reduce waste, injury and incidents.” - Janet Asherson

“Value leadership” is the essence of felt leadership because it is about getting people aligned on the values of your organization. It requires explaining to people and communicating the value of what they are doing. When inspirational leadership is matched with effective managing processes and technology, a leader’s vision can be achieved.” – Rich Angiullo

“Walking the walk is the constant demonstration, by leaders, of the values we hold dear in our business.” – Andrew Sharman

Collaboration, both within the organization and beyond the organization, is a key component to doing more with less. By collaborating with stakeholders outside the organization, creative thinking is stimulated and new ideas are generated from subject matter experts across multiple organizations or entities. In order to unlock value through collaboration, groups must have common interests, have clarity of outcome and must leverage the strengths of the stakeholders.

“It’s about collaboration. Cooperation is the pursuit of individual interests jointly. This doesn’t move the needle. Collaboration is the joint effort to achieve common goals. This leads to accountability, transparency and higher performance and is a new way of leveraging capacity.” – Gordon Lambert

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ACHIEVING OPERATIONAL EXCELLENCE THROUGH A CULTURE OF OPERATIONAL DISCIPLINE

Panelists

Brian Rains, Global Process Safety Management
Practice Leader, DuPont Sustainable Solutions

Dr. Prasad Tipnis, Senior Vice President, Centre for
HSE Excellence, Reliance Industries Ltd.

Luca Guscetti, Technical Director, Middle East, Nestlé

Vivek Kamra, Chief Executive Officer, President and
Director, NatSteel Holdings Pte. Ltd

Rich Angiullo, DSS Principal Consultant, Former
Vice President and General Manager, DuPont
Fluoroproducts

The journey towards sustainable business growth starts from a strong foundation of both safety and operations excellence. Operational risk management and asset integrity initiatives should be integrated into a comprehensive operations strategy to improve process safety performance and increase operations productivity. Operational discipline makes possible the achievement of simultaneous progress in protecting and extracting value from existing assets.

The panelists discussed the concepts of Operational Discipline and Operational Excellence at length and concluded that Operational Discipline is an essential component of Operational Excellence. A culture of Operational Discipline is key to the delivery of Operational Excellence and in turn, a key to delivering sustainable business growth.

Operational Discipline is about the basics, complying with a set of rules in the right way, every time, and is required to stabilize processes before improving them. Regardless of the industry, Operational Discipline

increases reliability and decreases the risk of a high consequence event occurring. When instilled within an organization, Operational Discipline allows leaders and employees to tackle the things that are critical to the day-to-day operations of the business in a timely, efficient manner.

“Operational Discipline is defined as everyone doing the right task in the right way every time.” – Prasad Tipnis

“Operational Discipline equals “brilliance at the basics”. Operational discipline is about embracing a set of structures; a set of values that have been given and are necessary to ensure processes deliver the final result. Operational Excellence is bringing that minimum compliance to ensure that things are right and the quality of our product is at a superior level in which we differentiate ourselves. This way we delight our consumers while delivering competitive advantage.” – Luca Guscetti

“Operational Discipline releases time, energy and resources.” – Vivek Kamra

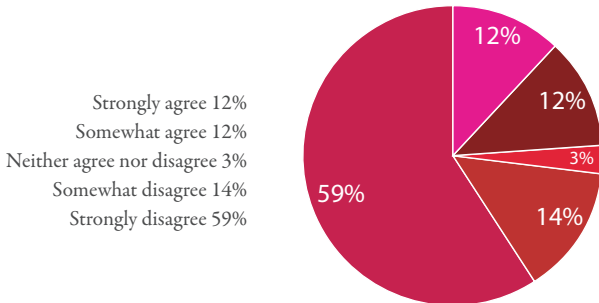
“Everybody in every industry has the challenge of raising their performance to a higher level of excellence. Operational Discipline is an essential ingredient to moving up that curve to Operational Excellence.” - Rich Angiullo

Panelists discussed the key elements required to create a culture of Operational Discipline. Operational Discipline requires leadership and employee

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Audience Poll

How much do you agree with the following statement: Operational Discipline is a limitation to an organization’s ability to be agile and innovative.



engagement. In order to improve the safety performance of an organization, the culture must be changed. It is the role of leadership to articulate a common purpose and prioritize Operational Discipline within the organization. This discipline must permeate throughout the organization through proper tools and training for employees and engagement of employees through clear communication of the rules, open dialogue and alignment. To achieve Operational Excellence, employees must be disciplined and have a passion for flawless execution.

“It’s all about leadership. Leadership sets the tone for the organization. Leadership creates the culture. If the culture isn’t what you want it to be and you are the leader of the organization, you have to change it.” – Rich Angiullo

“A good culture of Operational Discipline is when employees exhibit strong teamwork, a high degree of pride and housekeeping tends to be very good.” – Prasad Tipnis

“We (Nestlé) have historically had good leaders in management positions. However, today the leadership we are looking for is the leadership that lies within our operators, within the people on the front lines.” – Luca Guscetti

“To engage people, leaders have to respond quickly to specific safety issues and they must connect the impact, simply, to financial costs.” – Vivek Kamra

“It is self-discipline combined with a good dose of common sense and persistence that make an organization successful in the long term.” – Luca Guscetti



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DuPont Sustainable Solutions is one of 12 DuPont businesses. Bringing customers the benefits of an integrated global consulting services and process technology enterprise, it applies DuPont's real-world experience, history of innovation, problem-solving success, and strong brands to help organisations transform their workplaces and work cultures to become safer, more efficient and more environmentally sustainable.

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