DRT
the Best for Nature
A Company of the Firmenich Group

Preserve biochemistry from tall oil in the EU Green Deal

Meeting with [redacted] – DG ENV B2

29 June 2020

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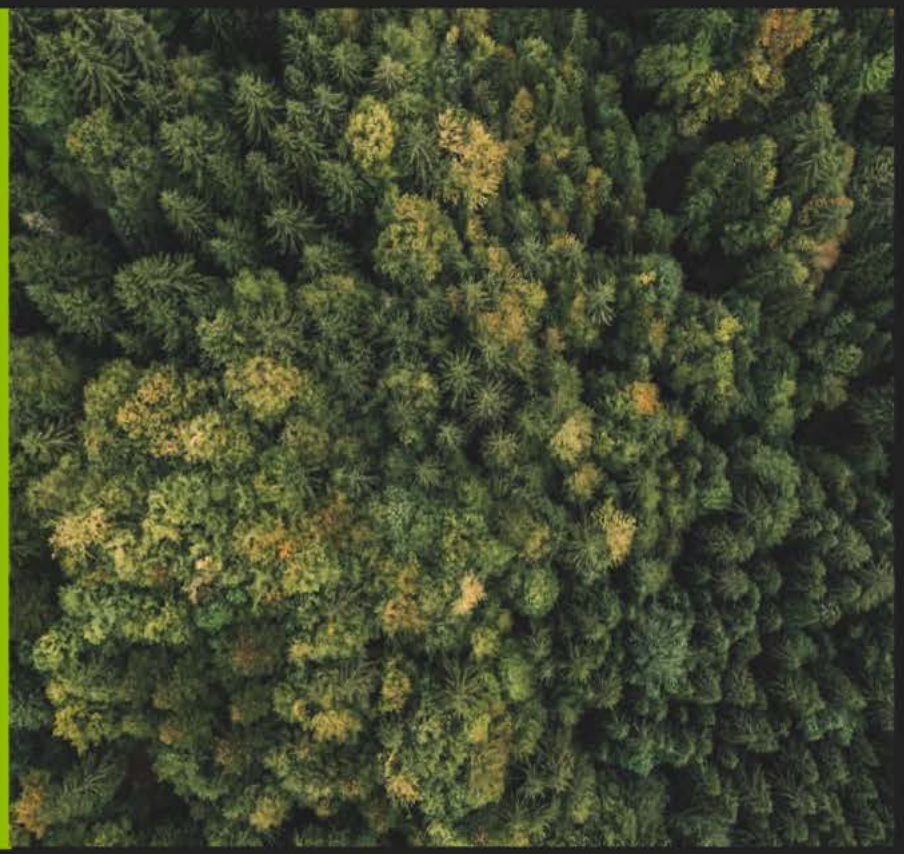


Introduction to DRT

DRT Today

Independent company founded in

1932

1500

Employees accross the world
including 840 in France

90%

Of revenues generated on international markets

300

DRT contributes to the production of over 300 ingredients and substances used in hundreds of mass market products

6,5%

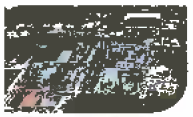
Of the workforce dedicated to R&I

>500 M€

Turnover

DRT Worldwide

FRANCE



DRT Castets

Fine chemicals for perfumery

DRT Lesperon

Production of rosin derivatives

DRT Vielle - Saint-Girons

Production of tall oil derivatives, terpenes, and resins

SBS

Fine chemicals

DRT AMERICA

Distillation of turpentine

Pinova INC.

Production of wood and rosin derivatives as well as terpenic rosins

DRT - ANTHEA AROMA CHEMICALS

Fine chemicals for perfumery

CROWN CHEMICALS

Fine chemicals for perfumery

DRT SPECIALTY CHEMICALS WUXI

Production of dispersion resins

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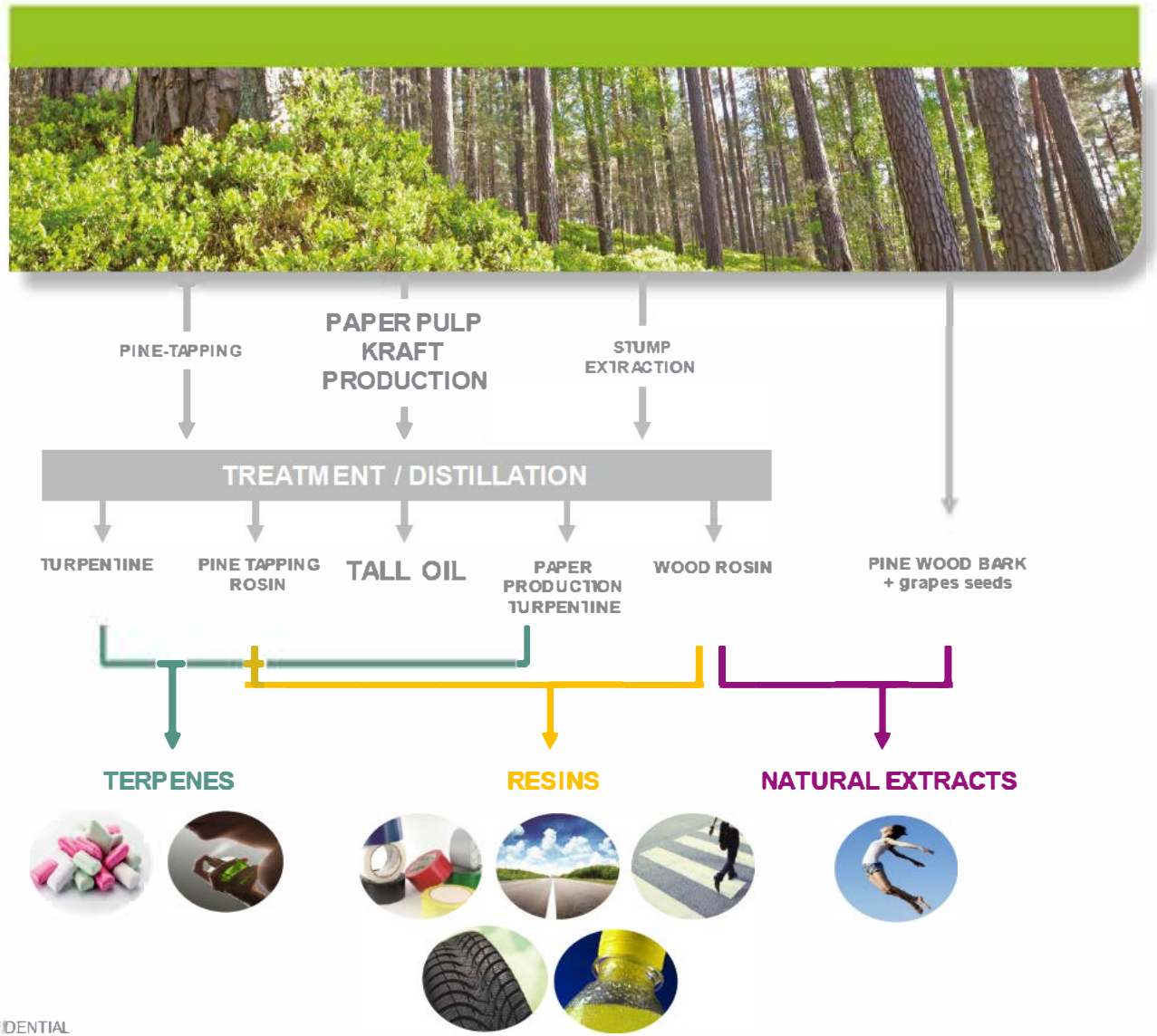
Our Core Business – *From pine tree to products*

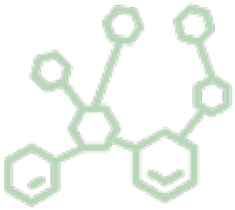


Our key tall oil-based markets

ADHESIVES

CONSTRUCTION, COATINGS AND ELASTOMERES

FOOD AND DRINKS



CHEMICAL INTERMEDIATE

CHEWING GUM

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Competitive uses of CTO

Competitive uses of a limited valuable resource

CRUDE TALL OIL

650.000 tonnes available in Europe / year

Biobased chemistry

Industry existing for over 80 years providing necessary biobased substances for hundreds of daily products without fiscal or policy incentives

Advanced biofuels

Developing industry incentivised by the RED II Directive (advanced biofuel target of 3,5% by 2030)

Risks related to advance biofuel production

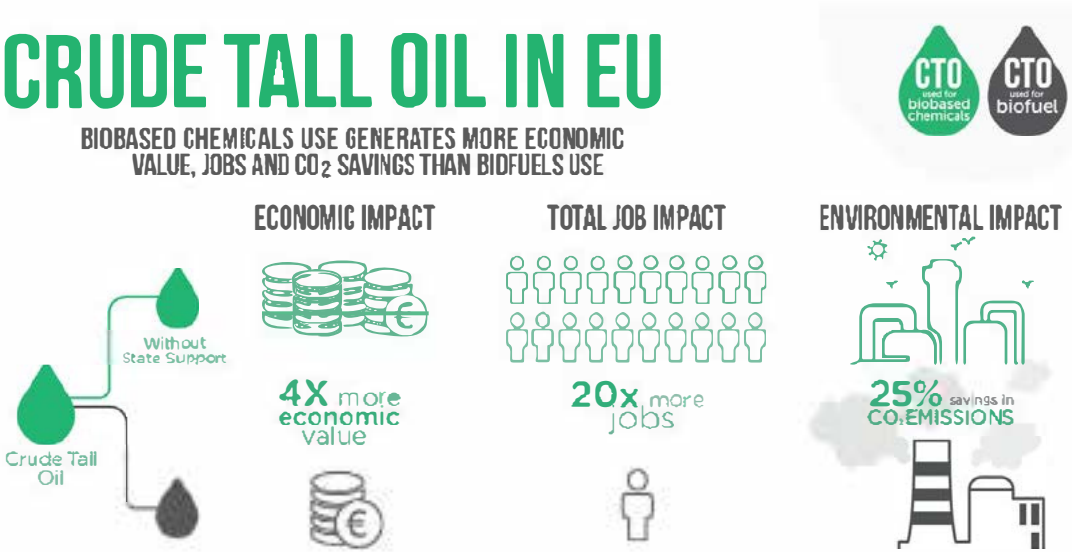
Tall oil is a by-product with **limited availability** (approx. 650 000 tonnes/year in Europe).

Tall oil is one of the only feedstocks listed on the Annex IX of the RED II that has a **commercially viable technology** nowadays.

Biobased chemistry from tall oil proposes **more benefits for the environment and the economy**, while applying the principle of cascading use of biomass.

CRUDE TALL OIL IN EU

BIOBASED CHEMICALS USE GENERATES MORE ECONOMIC VALUE, JOBS AND CO_2 SAVINGS THAN BIOFUELS USE



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CTO-based chemistry supports the objectives of the Chemicals Strategy for Sustainability

CTO-based chemistry supports a « toxic-free » environment

Reducing the EU economy's dependency on fossil fuels by substituting fossil-fuel based chemicals with biobased chemical substances.

Presenting **extremely low hazard to human health**, notably in terms of mutagenicity and carcinogenicity. CTO is not classified for acute toxicity or reproductive toxicity.

Enabling **the decarbonisation of products for which there are currently no other alternatives to fossil-based substances**, such as tyres or asphalts.

CTO-based chemicals are obtained from renewable feedstocks and used to produce various **daily-life products with high added value.**

Biobased chemistry is a key player of the transition towards safe and sustainable innovation

Biobased chemistry is actively involved in the **development of alternative and innovative business models**, based on sustainable sourcing, maximization of environmental benefits of products and creation of jobs.

DRT is committed to **responsible sourcing**, with manufacturing sites located as close as possible to resources, and 90% of its suppliers having an environmental certification.

Biobased chemistry provides companies from **different key value chains** with opportunities to **develop innovative processes and high added value products** benefiting from low carbon footprint and circular models.

Research and Innovation: DRT for greener roads

DRT developed a series of products enhancing performances and reducing the environmental impact of road infrastructures (road marking, bitumen, tires…)

Dertal 600 is one of DRT's resin that enables the **recycling of bitumen**

Circularity: reuse of former asphalt to create a new one, reduced use of virgin raw materials and of fossil based substances

Decarbonization: lower temperature needed to create a new bitumen leading to higher energy efficiency and reduced emissions and worker exposure from machinery

The need for a clear definition and preservation of biobased chemistry

The origin of the feedstock used: priority given to renewable and traceable feedstock or, if not possible, to waste, residues and by-products with no competitive higher value uses.

The product carbon footprint: sustainable chemicals production allows significant CO2 emissions reduction by using carbons from a renewable feedstock in products with few or no alternatives to fossil-fuel based substances.

The CSR criteria of the producer: give social and environmental transparency to the entire supply chain and demonstrate the benefits of sustainable chemicals through appropriate environmental safeguards and proper stewardship of the supply chain.

The cascading use of biomass principle should be applied to all biobased chemical substances, to prioritise ***material recovery*** over *energy recovery* in case of competing uses and ensure that biomass is used for **its highest economic, social and environmental value.**

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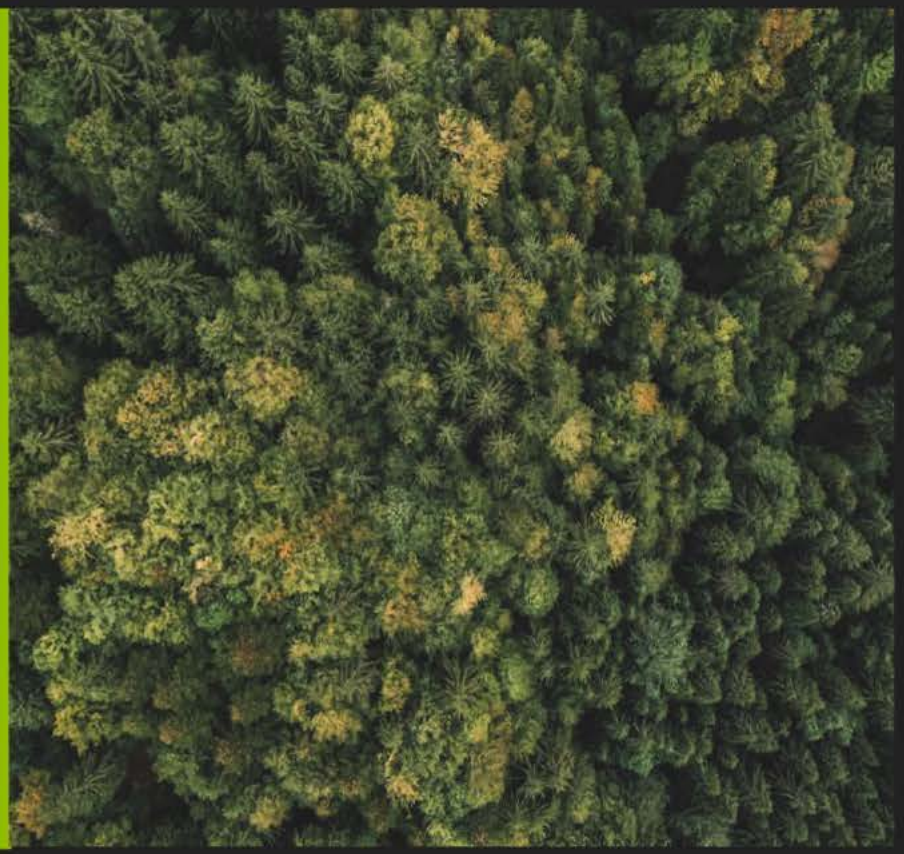

Recommendations

Our recommendations for the Chemicals Strategy for Sustainability

Development of a **clear definition of sustainable chemistry based on objective criteria** including the following:

- the origin and traceability of the feedstocks used,
- the carbon footprint of the product,
- the CSR criteria of the producer.

Application of **the cascading use of biomass for by-products from biomass used in sustainable chemicals**, to preserve sustainable / biobased chemistry from competing uses.

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Contacts

Phone: +33(0) [redacted]

E-mail: [redacted]@drt.fr

www.drt.fr