



Syngenta Group **Materiality Assessment** **2023**



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Syngenta Group Materiality Assessment

This report summarizes the results of the first Syngenta Group Materiality Assessment conducted between October 2022 and February 2023. The assessment aimed to identify key impact areas, inform our sustainability priorities and reporting, and create a shared understanding of material topics across our business units.

We partnered with an external third party to provide us with independent expertise and facilitate the assessment process in alignment with current and emerging reporting frameworks and standards.

We followed a double materiality approach considering both the impact Syngenta Group has on people and the environment, and the impact sustainability issues have on Syngenta Group's business performance and success.

We followed a four-step process to identify and assess our most material ESG topics.

1. Design approach and methodology

As a first step, we reviewed existing materials and processes to design a forward-looking approach guided by current and emerging reporting frameworks and standards¹.

We incorporated the concept of double materiality into the methodology and developed a set of criteria to weight and prioritize potentially relevant topics across two dimensions:

Impact on people and the environment: Topics with significant actual or potential impact on people or the environment that are caused by Syngenta Group activities and/or to which Syngenta Group activities contribute.

- **Sector impact:** How significant is the sector's impact on a topic?
- **Media and stakeholder analysis:** How important is a topic for external stakeholders?
- **Sustainable Development Goals (SDGs):** How are Syngenta Group activities impacting the SDGs?
- **Value chain:** How much control does Syngenta Group exert over a topic across the value chain?
- **Past materiality assessments:** How did the topic score in previous materiality assessments conducted by Syngenta Group business units?
- **Expert view on topics:** How relevant is a topic to key stakeholders?

Impact on Syngenta Group: Topics that impact Syngenta Group's business performance and success, and associated risks and opportunities.

- **Regulation and standards:** How strongly is a topic covered in current and emerging regulations and standards?
- **Competitors and sector:** How relevant is a topic to industry peers?
- **ESG and investors:** How relevant is a topic to ESG raters and investors?
- **Risk register:** How is a topic addressed in internal risk management and external risk reports?
- **Past materiality assessments:** How did the topic score in previous materiality assessments conducted by Syngenta Group business units?
- **Expert view on topics:** How do stakeholders perceive the importance of a topic for Syngenta Group?

¹ Global Reporting Initiative (GRI), European Sustainability Reporting Standards (ESRS), International Sustainability Standards Board (ISSB) standards

2. Topic identification

We conducted desk research to assess the relevance of existing topics from previous assessments² and identify new emerging topics using a variety of internal and external sources:

External sources	Internal sources
<ul style="list-style-type: none">• Regulatory developments• Current and emerging reporting standards and frameworks (e.g., GRI, SASB, TCFD, ESRS)• Stakeholder surveys, NGO reports, and news articles• Risk reports and industry outlooks• ESG ratings	<ul style="list-style-type: none">• Previous materiality assessments• Enterprise risk management risk register and reports• Business model, strategies, and policies• Studies and surveys commissioned by Syngenta Group• Investor engagements

The topics were assessed based on their associated risks and opportunities, and the likelihood or severity of their potential or actual impacts respectively. Approximately 1,500 topic ratings were produced to score the relevance and importance of topics.

Following this comprehensive review of internal and external sources, a topic structure was developed, including the description of potentially relevant topics and their related sub-topics for further analysis and stakeholder input.

3. Stakeholder engagement

We leveraged the expertise of internal subject-matter experts and senior leaders to validate and refine the list of identified topics through an online survey and in-depth interviews.

In total, 110 internal stakeholders across global business and relevant functions participated in an online survey to rate the topics based on their risks and opportunities, impact on Syngenta Group, people and the environment, as well as Syngenta Group's resilience and preparedness to address the topic.

To complement survey results, in-depth interviews were conducted with 20 senior leaders across the business to gain further insights into identified topics and uncover potential gaps in the assessment.

Expectations from external stakeholders were also considered in the online survey and interviews – we asked our internal experts how their external stakeholders would view the different topics assessed. We also leveraged the results of external sources and stakeholder surveys reviewed during the desk research.

4. Analysis and validation of results

Survey results and insights from interviews were analyzed to refine and prioritize the topic list. The impact of each topic was assessed across business segments and at different stages of the value chain. The topics were then evaluated against set thresholds to determine their level of impact and materiality across the two dimensions of double materiality.

² We reviewed previous materiality assessments conducted by Syngenta Group business units including the assessments conducted by ADAMA and Syngenta Crop Protection and Syngenta Seeds (together as Syngenta AG).

In total, 20 topics and 72 sub-topics were identified as relevant. Out of these, the following four topics are considered material:

- Agricultural technology
- Biodiversity
- Climate change and greenhouse gases
- Product safety and responsibility

The materiality matrix below presents the results of our assessment. Topics have been prioritized into three tiers. Tier 1 represents Syngenta Group's material topics with a high potential impact for which we actively measure and evaluate performance. Tier 2 (medium impact) and Tier 3 topics are those that we monitor to maintain the trust and confidence of our stakeholders and be a responsible business. The full list of topics, sub-topics, and their description is provided in the appendix.

The assessment results were presented to the Syngenta Group Sustainability Committee. The results of the materiality assessment also confirm our sustainability priorities and focus areas. Topics reflected in our sustainability priorities are represented with their corresponding priority color on the matrix.

Materiality matrix



1 Agricultural technology	8 Economic and geopolitical pressures	15 Product safety and responsibility	Sustainability priorities: Higher yields, lower impact Regenerate soil and nature Improve rural prosperity Sustainable operations
2 Animal welfare	9 Employee empowerment and engagement	16 Regenerative agriculture and soil health	
3 Biodiversity	10 Employee health, safety and wellbeing	17 Resource efficiency and waste management	
4 Business ethics and corporate governance	11 Food security	18 Rural prosperity and poverty reduction	
5 Climate change and greenhouse gases	12 Labor standards and human rights	19 Security management	Impact descriptors: High impact Medium impact
6 Community and stakeholder relations	13 Natural ecosystem conversion	20 Water conservation and management	
7 Consumer demand shifts	14 Policy and regulations on agricultural inputs		

Appendix: List of topics and sub-topics

Topic description	Sub-topics
Agricultural technology: Research and development of technologies and solutions that help growers enhance productivity and crop quality, minimize environmental impacts, and enhance resilience (e.g., to challenges posed by climate change). Includes biologicals, digital technologies, genetic engineering, and integrated pest management.	<ul style="list-style-type: none"> • Emerging technologies • Genetic modification • Digital agriculture • Integrated pest management • Biologicals
Animal welfare: Animal welfare concerns and activist attention to animal studies, which are mandatory in certain markets to introduce new products.	<ul style="list-style-type: none"> • Animal welfare
Biodiversity: Regenerative agriculture practices, habitat protection, and seed diversity to conserve biodiversity, which is under threat.	<ul style="list-style-type: none"> • Biodiversity • Crop diversity
Business ethics and corporate governance: Maintaining a strong culture of ethics and integrity and demonstrating good practices of corporate governance and transparency as well as compliance with laws, regulations, industry and company standards, and codes of conduct.	<ul style="list-style-type: none"> • Corporate conduct • Compliance with laws and regulations • Transparency and disclosure practices • Tax governance • Responsible marketing practices • Biotechnology and regulatory compliance
Climate change and greenhouse gases: Impact of climate change on agriculture and our contribution to minimizing adverse effects and enhancing farmers' resilience. GHG emissions mitigation.	<ul style="list-style-type: none"> • Carbon capture • Extreme weather events • GHG emissions • Climate change policy • Climate change impact on yields and crop shifts
Community and stakeholder relations: Engagement, collaboration, and open, transparent dialogue with relevant stakeholders, including policymakers, value chain actors, NGOs, and local communities on pressing matters and challenges.	<ul style="list-style-type: none"> • Community engagement • Customer relationship management • Stakeholder engagement and collaboration • Responsible lobbying
Consumer demand shifts: Consumer preferences about food and farming are changing – e.g., replacement of animal with plant protein, increased adoption of biofuels, and demand for organic produce. Disconnect between consumers and farmers.	<ul style="list-style-type: none"> • Changing consumer diets • Consumer expectations about farming • Biofuels
Economic and geopolitical pressures: Volatile economic and geopolitical context including rising interest rates, inflation, recession, tax pressures, trade and supply chain disruptions, geopolitical conflicts, and national security breaches.	<ul style="list-style-type: none"> • Commodity price volatility • Company's access to capital markets • Political instability and social unrest • Trade disruptions • Supply chain disruptions • Economic recession
Employee empowerment and engagement: Talent attraction and retention, learning and development, diversity and inclusion, and other workforce-related issues.	<ul style="list-style-type: none"> • Diversity and inclusion • Learning and development • Talent attraction and retention

<p>Employee health, safety and wellbeing: Employee and contractor safety, including providing a safe and healthy workplace and prioritizing wellbeing and mental health.</p>	<ul style="list-style-type: none"> • Health and safety • Wellbeing • Mental health
<p>Food security: Accessibility, availability, and affordability of nutritious food for current and future generations within planetary boundaries. Challenges of undernourishment, population growth, and volatility disrupting food access.</p>	<ul style="list-style-type: none"> • Food availability and affordability • Food safety • Nutritious food and feed • Food loss and food waste
<p>Labor standards and human rights: Fair labor conditions and human rights considerations (e.g., child labor, migrant workers, freedom of association, discrimination) in our operations and the value chain.</p>	<ul style="list-style-type: none"> • Labor standards and human rights • Forced labor, child labor, and modern slavery • Migrant workers • Freedom of association and collective bargaining • Discrimination and harassment • Grievance and remediation • Living income and living wage
<p>Natural ecosystem conversion: Responsible land use through reduced conversion of forests, shrub lands and grassland to agricultural land.</p>	<ul style="list-style-type: none"> • Deforestation • Land use changes
<p>Policy and regulations on agricultural inputs: Introduction of new regulation, which may increase compliance costs or block access to current markets. Lack of regulatory frameworks to address counterfeits and protect IP, outdated legislation on cross-border movement of products.</p>	<ul style="list-style-type: none"> • Product registration • IP protection • Addressing counterfeit products • Product traceability for consumers • Cross-border movement of crop protection and seed products
<p>Product safety and responsibility: Responsible and ethical management of products throughout the life cycle and value chain (including development, manufacturing, use and disposal). Reducing potential environmental and human harm from products and product use.</p>	<ul style="list-style-type: none"> • Safe use of products • Product environmental hazards • Product health hazards • Residue management
<p>Regenerative agriculture and soil health: Soil degradation, soil fertility, erosion – and the conservation and restoration of lands through regenerative agriculture practices.</p>	<ul style="list-style-type: none"> • Soil health • Nature-based solutions
<p>Resource efficiency and waste management: Energy conservation, circular economy, energy transition, energy security, renewable energy, recoverable and non-recoverable waste management, non-GHG air emissions, green procurement.</p>	<ul style="list-style-type: none"> • Energy use • Waste generation • Non-GHG air emissions • Green procurement
<p>Rural prosperity and poverty reduction: Positive economic impact the company and the sector generate on rural livelihoods, communities in which we operate, and the wider economy and society – through our products and solutions as well as through our operations (e.g., wages, payments to suppliers, taxes).</p>	<ul style="list-style-type: none"> • Farmers' access to technology • Farmers' access to finance • Empowerment of smallholders • Economic value shared
<p>Security management: Resilience and protection of our people, as well as tangible and intangible assets, from threats, especially in countries with high security risks. This includes protecting customer data.</p>	<ul style="list-style-type: none"> • Cyber threats • Data privacy

Water conservation and management: Water scarcity and stressed water tables – and the efficient use of water, protection of water courses, and reduction of pollutants.

- Water conservation
 - Wastewater
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