

# Syngenta Materiality Assessment

Methodology, version 26.02.2021 (replacing v18.03.2019)

Syngenta<sup>1</sup> regularly assesses stakeholder concerns and expectations, as well as the topics that we believe present the greatest risks and opportunities for our business. Our materiality analysis helps us identify where we can provide the most value and drive our strategy, and where we should focus our efforts, allocate resources, and direct our reporting.

In 2020, we reviewed the materiality matrix published in our Sustainable Business Reports 2018 and 2019. This revised document describes the methodology of the original assessment as well as the 2020 review – changes to the previous version are identified in this document.

Our approach to identifying our material topics was designed using existing guidelines and thought leadership<sup>2</sup>, best practice examples from leading companies and lessons learned from past materiality assessments. It was also customized to reflect the context in which we operate and our corporate culture.

We conducted the following four steps<sup>3</sup>:



## Step 1: Identification of potential relevant topics

First, we identified environmental, social and economic topics that may reasonably be considered important for Syngenta and our stakeholders. Most of this work was conducted in 2018. We used the following information sources to identify these topics:

<sup>1</sup> This materiality assessment is for the following operations of Syngenta Group: Syngenta Crop Protection, Syngenta Seeds and the Syngenta AG operations that now form part of Syngenta Group China. The scope of this materiality matrix (v26.03.2021) is the same as that of the materiality matrix published in the Sustainable Business Reports 2018 and 2019 (v18.03.2019).

<sup>2</sup> Among other publications, we used: GRI Standard 101: Foundation 2016, Global Reporting Initiative, page 10; The International <IR> Framework, IIRC, 2013, page 18; Materiality in <IR>, Guidance for the preparation of integrated reports, IIRC & IFAC, November 2015, page 13; The Materiality Report, Accountability, November 2006, page 32; Integrating the SDGs into Corporate Reporting: A practical Guide, GRI & UNGC, August 2018, page 11; CDSB Framework for reporting environmental information, natural capital and associated business impacts, CDSB, April 2018, page 13.

<sup>3</sup> Step four was added in our 2020 review.

Table 1: Sources of information

External sources	Internal sources
<ul style="list-style-type: none"> <li>• Stakeholder engagement and consultation</li> <li>• Studies and surveys commissioned by Syngenta</li> <li>• Ongoing dialogue with growers, communities in which we operate, civil society, NGOs, business community, industry associations, governments, regulators, investors and the media</li> <li>• Topics identified by sustainability leaders and peers</li> <li>• Relevant sustainability standards, guidelines, publications and thought leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Company business model, strategies and policies</li> <li>• Financial and non-financial disclosures</li> <li>• Enterprise risk management reports</li> <li>• Employee surveys</li> <li>• Previous materiality assessments</li> </ul>

## Step 2: Prioritization of topics important to Syngenta and our stakeholders

Second, we assessed the potential relevant topics identified in step 1 to determine the ones that were important to Syngenta and our stakeholders. We used the following criteria:

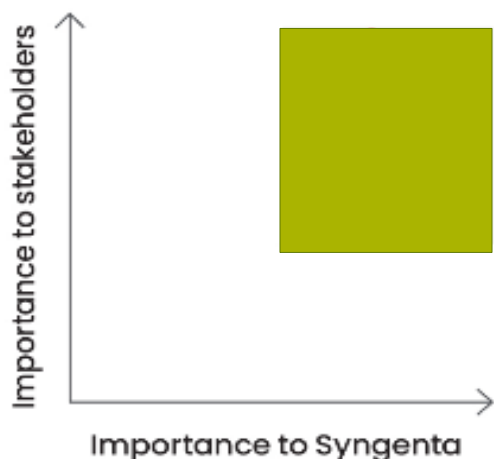
- **Importance to Syngenta:** Matters that present the greatest risks and opportunities for Syngenta’s ability to create long-term value and achieve our ambition.
  - Sample of assessment questions used: How relevant are these topics to Syngenta's ability to create long-term value? How important is it for Syngenta to conduct these activities or contribute to addressing these challenges to achieve its ambition? How does the topic support or hinder Syngenta’s business strategy? To what extent does the topic impact Syngenta’s value chain, i.e., supply chain, own operations, customers?
  
- **Importance to stakeholders:** Concerns and expectations frequently raised by stakeholders about our company, our industry, agriculture and food systems.
  - Sample of assessment questions used: How important are these topics to Syngenta’s stakeholders? How important is it for them that Syngenta conducts these activities or contributes to addressing these challenges? How frequently is the topic mentioned in our stakeholder consultations and surveys, featured in the media, or mentioned in relevant benchmark studies, publications, online platforms or elsewhere?

The questions above were answered through discussions with internal experts and by using the following external consultation, studies and publications:

<ul style="list-style-type: none"> <li>• Results of Ipsos MORI <a href="#">survey</a> to measure farmers’ opinion toward climate change (Q1 2020)</li> <li>• Results of Ipsos MORI <a href="#">survey</a> to measure impact of COVID-19 on European farmers (Q2 2020)</li> <li>• Various publications, such as the World Economic Forum’s Global Risks Report 2021</li> </ul>	Additional input for revised version published in ESG Report 2020
<ul style="list-style-type: none"> <li>• <a href="#">Results</a> of 3-month <a href="#">consultation</a> (Q4 2018)</li> <li>• Reputation survey (Q3 2018)</li> <li>• Customer insight study (Q4 2018)</li> <li>• Results of employee survey (Q3 2018)</li> <li>• Various publications, such as Agrow-Informa’s Sustainability in AgroChemicals 2018 and the World Economic Forum’s Global Risks Report 2019</li> <li>• Previous materiality assessments conducted between 2015 and 2017</li> </ul>	Input for original version published in Sustainable Business Reports 2018 and 2019

From the list of potential relevant topics, 17 topics (previously 16 topics<sup>4</sup>) were identified as important to Syngenta and our stakeholders, and thus located on the top right of the matrix (green box below). All other potential relevant topics evaluated were deprioritized or merged with the 17 material topics.

Diagram 1: Importance to Syngenta and our stakeholders



<sup>4</sup> The original materiality matrix presented in our Sustainable Business Reports 2018 and 2019 stated 16 topics. In our 2020 review, we split ‘Human Rights and fair and safe labor’ in two topics, i.e., ‘Human Rights’ and ‘Health, safety and fair labor’ to separate workplace and labor aspects from all other human rights aspects. We also revised the following topic names: ‘Access to seeds’ was updated to ‘Access to technology’ to encompass all technologies needed by farmers beyond quality seeds; and ‘Safe and nutritious food’ was updated to ‘Nutritious food’ to remove the definition overlap we had with ‘Product responsibility’. The SDG alignment was updated accordingly.

Each of the 17 topics was defined and aligned to the United Nations Sustainable Development Goals (SDGs):

Table 2: Topic definitions

Topic	Definition	SDG
Access to technology	Improved access to quality seeds, digital solutions, application technology and other technologies to help small- to large-scale growers increase productivity, become more resilient to challenges such as climate change, and enhance prosperity in rural communities.	1, 2
Air pollution	Reduction of the impact of harmful air pollutants and air quality on people and the environment.	3, 12
Biodiversity	Biodiversity conservation through sustainable agriculture practices, protection of habitats and preservation of seed diversity.	15
Business integrity	Good practices of corporate governance and compliance with laws, regulations and company standards.	16
Climate change mitigation and adaptation	Reduction of greenhouse gas emissions, removal of greenhouse gases from the atmosphere, and reduction of farmers' vulnerability to the adverse effects of climate change.	13
Dialogue, transparency and partnerships	Engagement, open discussions and collaborations with stakeholders to tackle pressing sustainability challenges.	17
Employee engagement	Attraction and retention of talent, including programs such as learning and development, rewards and recognition and work-life flexibility.	8
Health, safety and fair labor	Upholding of the principles set out in the International Labor Organization's core conventions.	3, 8
Human rights	Upholding of the principles set out in the Universal Declaration of Human Rights.	8
Innovation in agriculture	Technologies and solutions researched, developed and brought to market that address growers' need to enhance productivity and quality as well as address the challenges posed by climate change.	2, 12
Land use changes and deforestation	Reduction in the conversion of forests, shrub lands and grassland to agricultural land.	2, 15
Nutritious food	Accessibility, availability and affordability of nutritious food for healthy diets.	2
Product responsibility	Safe products for people and the environment at all stages of the value chain – including development, manufacturing, use and disposal.	3
Resource efficiency	Making the most of resources while reducing waste and minimizing the impact on the environment.	2, 12
Rural development and poverty alleviation	Reduction of poverty and improvements to rural livelihoods through empowerment of small- to large-scale growers.	1
Soil health	Conservation of soil fertility and restoration of degraded farmland.	13, 15
Water conservation	Efficient water use, protection of water courses and reduction of the release of water pollutants.	6

### Step 3: Ranking of topics based on relevance to sustainable development

Third, we assessed the 17 topics identified in step 2 using the following criterion:

- **Relevance to sustainable development:** Level of significant impact on global sustainable growth determined using The Global Risks Report 2021<sup>5</sup> (previously The Global Risks Report 2019<sup>6</sup>), The Earth Security Report 2017<sup>7</sup> and the Food in the Anthropocene report of the EAT-Lancet Commission<sup>8</sup>.

Based on the above publications, we ranked each topic as follows<sup>9</sup>:

Diagram 2: Relevance to sustainable development



<sup>5</sup> The Global Risks Report 2021, 16<sup>th</sup> Edition, World Economic Forum, fig 2, p. 12, <https://www.weforum.org/reports/the-global-risks-report-2021>

<sup>6</sup> The original materiality matrix presented in our Sustainable Business Reports 2018 and 2019 used The Global Risks Report 2019, 14<sup>th</sup> Edition, World Economic Forum, fig 1, p. 5, <https://www.weforum.org/reports/the-global-risks-report-2019>

<sup>7</sup> The Earth Security Report 2017, Earth Security Group, p. 6, <http://earthsecuritygroup.com/report/the-earth-security-report-2017-sustainable-development-goals-for-business-diplomacy-and-growth/>

<sup>8</sup> Food in the Anthropocene: the EAT-Lancet Commission on healthy diets from sustainable food systems, 2019, The Lancet Commissions, table 2 on p. 6, fig 6 on p. 27 and p. 33–39, <https://www.thelancet.com/commissions/EAT>

<sup>9</sup> The ranking of three topics was revised from the original materiality matrix presented in our Sustainable Business Reports 2018 and 2019 to reflect the updated definitions: 'Health, safety and fair labor' and 'Product responsibility' were moved to high and 'Nutritious diets' was moved to medium-high.

#### Step 4: Classification of topics as material and monitored

Finally, the 17 topics that were identified as important to Syngenta and our stakeholders, and relevant to sustainable development, were classified as<sup>10</sup>:

- **Material topics:** Material topics are those that have been classified as “high” in all three categories (column on the far right in diagram 2). For these topics, we have set goals in our Good Growth Plan, and we actively measure and evaluate our performance. These are also our material topics for the purpose of GRI reporting. The six material topics are:
  - Biodiversity
  - Climate change mitigation and adaptation
  - Health, safety and fair labor
  - Innovation in agriculture
  - Product responsibility
  - Soil health
  
- **Monitored topics:** Monitored topics are the remaining 11 topics are important for us to be a responsible business. We regularly evaluate our performance in these topics to maintain the trust and confidence of our stakeholders.

We annually report on our actions and progress in our ESG Report (formally Sustainable Business Report), which can be found in the [Presentations and publications](#) section of our website.

The most recent materiality assessment can be found at: [www.materiality.syngenta.com](http://www.materiality.syngenta.com)

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<sup>10</sup> This fourth step was added in our 2020 review. The classification of material vs monitored topics is in line with the information presented in our ESG Report 2020.