

Assessment of Corteva's approach to addressing biodiversity loss



Corteva: Overview

Corteva, Inc. is a seed and agricultural chemicals company based in Indiana, USA. The company was created from a spinoff of major chemical company DowDuPont in 2019.



Market cap

\$39.77 billion



2022 pesticide sales

\$8.48 billion¹



Highly Hazardous Pesticides

≥28



Top-selling Highly Hazardous Pesticides in 2018

1) Cyproconazole 2) Chlorantraniliprole 3) Spinetoram 4) Glyphosate 5) Spinosad



EU-banned pesticides notified for export in 2018

17,133 tonnes

Product Portfolio	E1.1 The company does not produce or sell any HHPs	Not achieved
	E1.2 The company does not sell EU-banned pesticides outside of Europe	Not assessed
Impact assessment	E2.1 The company assesses biodiversity-related impacts, dependencies and risks	Partly achieved
	E2.2a The company uses a clearly defined methodology to assess downstream impact of all pesticide products	Partly achieved
	2.2b The methodology was developed in partnership with and peer reviewed by independent experts	Not achieved
Biodiversity strategy	E3.1 The company has a target that aligns with GBF Target 7 to reduce pesticide risks to biodiversity by half by 2030	Not achieved
	E3.2 The company has a commitment to phase out HHPs by 2035	Not achieved
	E3.3 The company has a management plan for high-risk locations in its value chain	Partly achieved
	E3.4 The company has a biodiversity strategy that includes relevant targets and commitments	Partly achieved
Disclosures	E4.1 The company fully reports against GRI 304 and has committed to align with the TNFD and GBF Target 15	Not achieved
	E4.2 The company publishes a list of active ingredients and discloses sales volumes of HHPs	Not achieved
	E4.3 The company discloses at-risk locations in its value chain, including areas of biodiversity importance	Not achieved
	E4.4 The company discloses toxicological studies of all active ingredients	Not achieved
Product innovation	5.1 The company assesses inherent risks of new solutions and ensures they pose lowest possible risks	Partly achieved
	5.2 The company has a target for expanding safer and sustainable alternatives	Achieved
	5.3 The company's innovation practices include replacing hazardous products with lower risk alternatives	Not achieved

Corteva is the largest pesticide company in the United States. Despite its size and the high number of HHPs it produces, the company does not disclose a methodology it uses to assess the risks to or impacts on biodiversity from its pesticide products throughout its value chain. Corteva's strategy to address biodiversity loss, while focusing on product innovation, lacks clear plans to reduce the inherent risks its existing products pose to biodiversity.

INDICATORS OF PROGRESS

- **Product innovation:** Corteva has set criteria to guide its product innovation process and made a commitment that all new products will meet these criteria by 2025.

AREAS OF CONCERN

- **Impact assessment:** Corteva does not disclose a clearly defined impact assessment methodology used to assess the risks to and impacts on biodiversity from all its products throughout its value chain.
- **Biodiversity strategy:** Corteva has not committed to reduce the risks to or impacts on biodiversity from its product portfolio. Its only biodiversity-related commitment does not address the impact of pesticides, and the company does not specify how progress toward this commitment is measured, or what metrics are used.

Assessment

1. Product portfolio

1.1 Expectation: The company does not produce any products with active ingredients that appear in Pesticide Action Network's list of Highly Hazardous Pesticides.

ASSESSMENT NOT ACHIEVED

Corteva produces at least 28 active ingredients that are Highly Hazardous Pesticides.

1.2 Expectation: If the company is incorporated in a country subject to European Union pesticide use restrictions, it does not sell pesticides that are banned for use in the EU to other countries.

ASSESSMENT NOT ASSESSED

Corteva is not incorporated in a country subject to European Union pesticide use restrictions. However, the company manufactures chemicals in the EU and is therefore subject to EU regulations on notifying the export of chemicals banned for use in the territory. In 2018, Corteva notified for export 17,133 tonnes of pesticides banned for use in the EU to other countriesⁱⁱ.

2. Impact assessment

2.1 Expectation: The company assesses its pesticide-related impacts and dependencies on biodiversity, and the risks arising from these, across its full value chain, including downstream impacts.

ASSESSMENT PARTLY ACHIEVED

Corteva states that it assesses the environmental impacts of some pesticide products using a life cycle assessment (LCA)ⁱⁱⁱ. However, the results of these assessments are not disclosed, and it is not clear how far this methodology calculates impact throughout the company's value chain. See Expectation 2.2a for more information.

The company states that "The S&I [Sustainability and Innovation] Committee oversees biodiversity-related risks and opportunities, with the responsibility to review and monitor Corteva Agriscience's biodiversity risks, plans, goals and targets, and progress against such goals and targets no less than annually on behalf of the Board"^{iv}. However, the findings of this work are not disclosed.

Corteva does not disclose any assessment of pesticide-related dependencies.

2.2a Expectation: The company uses a clearly defined methodology to assess its impact on biodiversity from all pesticide products, which includes considering how inherent risks of a product materialise throughout the company's value chain and impact biodiversity at the location-level.

ASSESSMENT PARTLY ACHIEVED

Corteva does not disclose an impact assessment methodology that assesses the biodiversity impact of all pesticide products.

The company states that it uses LCAs to "quantify environmental impacts throughout the value chain of a product or process". It is not clear to what extent this approach considers the inherent biodiversity risks of its products and how those risks may materialise in the company's value chain.

It is also not clear to what extent this approach considers all relevant biomes and material species, or if it considers location-level impacts of products in at-risk areas: the company states that its assessment is based on meta-analysis, laboratory and field studies and local on-farm testing^v.

Additionally, Corteva states that this approach is used to "understand the impact of select products", indicating that it may not be applied to all products^{vi}.

Corteva uses its sustainable innovation criteria to assess sustainability of new products, which includes biodiversity-related criteria. See Expectation 5.1 for information on this methodology.

2.2b Expectation: The company’s methodology for impact assessment was developed in partnership with, and peer reviewed by, independent subject-matter experts, as evidenced by a disclosure of the company’s relationship and the nature of collaboration with all experts involved.

ASSESSMENT NOT ACHIEVED

Corteva does not disclose a methodology to assess the biodiversity impact of all its products. Regarding its LCA approach, the company states that the “LCA team will continue to partner with external consultants and stakeholders to provide the analysis and insights needed to achieve targets and further quantify the environment impact of our sustainable differentiated products”^{vii}. However, the company does not disclose any additional information about these experts or their role in developing the company’s environmental impact assessment approach. The company does not disclose whether its sustainable innovation criteria have been developed with or reviewed by independent subject-matter experts.

3. Biodiversity strategy

3.1 Expectation: In alignment with the Global Biodiversity Framework’s Target 7, the company has commitments and targets that seek to reduce the company’s impact on or risk to biodiversity from its pesticide products by 50 per cent by 2030.

ASSESSMENT NOT ACHIEVED

Corteva’s biodiversity-related commitments and targets do not align with GBF Target 7. The company has one commitment related to biodiversity:

- Support biodiversity and outcomes aligned to regenerative agriculture on 25 million acres in biomes where the company works and sells its products by 2030.

The company set targets in 2020 for improving soil health and enhancing biodiversity on grazing lands and natural ecosystems^{viii}. However, it no longer states that these are targets and they did not appear in its sustainability reports in 2021^{ix} and 2022^x.

3.2 Expectation: The company has committed to phase out production of Highly Hazardous Pesticides by 2035.

ASSESSMENT NOT ACHIEVED

Corteva has not disclosed a commitment to phase out production of HHPs.

3.3 Expectation: The company has a management plan for locations within its downstream value chain that are at medium or high risk of negative biodiversity impacts from pesticide use, including areas of biodiversity importance. This plan includes restricting sales of some products to at-risk locations.

ASSESSMENT PARTLY ACHIEVED

Corteva has not disclosed a management plan for locations in its downstream value chain that are at medium or high risk of pesticide-related biodiversity loss.

Corteva states that its biodiversity 'Area of Focus' includes "Efforts to reduce environmental impacts through agronomic best practices and investment in preventing future land-use change in **sensitive areas**"^{xi}. This is also included in the company's Sustainable Innovation

Criteria for new products, which the company states should "prioritise conservation in **eco-sensitive areas**"^{xii}.

The company does not disclose how sensitive areas are identified, if Corteva products are currently used in these areas, or if its management plan includes restricting or reducing the use of pesticides in these areas.

3.4 Expectation: The company has a clear biodiversity strategy, which sets out how it will meet biodiversity-related commitments and targets.

ASSESSMENT PARTLY ACHIEVED

The company's goal to help "support biodiversity and outcomes aligned to regenerative agriculture on 25 million acres in biomes where we work and sell our products by 2030" guides the company's biodiversity strategy. Corteva intends to accomplish this through new products and systems, improved genetic gain and yield protection, partnerships to support conservation and restoration of land, and more favourable biodiversity practices at facilities and production fields^{xiii}.

However, the company does not state how it measures progress against this goal, including the metrics it uses to assess "biodiversity and outcomes aligned to regenerative agriculture". Corteva has not disclosed any progress it may have achieved since this goal was set.

4. Disclosures

4.1 Expectation: The company's biodiversity disclosures fully align with standards set by the Global Reporting Initiative 304 guidance on biodiversity. The company has committed to implement the disclosure framework set by the Taskforce for Nature-related Financial Disclosures and to report biodiversity-related impacts, dependencies and risks in alignment with Global Biodiversity Framework Target 15.

ASSESSMENT NOT ACHIEVED

Corteva states that it reports against only one of the four topics required for disclosure by GRI 304^{xiv}.

Corteva has not committed to align with or report against the TNFD framework or the GBF Target 15.

4.2 Expectation: The company publishes an exhaustive list of active ingredients included in its products and discloses annual sales volumes of Highly Hazardous Pesticides.

ASSESSMENT NOT ACHIEVED

Corteva does not disclose this information.

4.3 Expectation: The company discloses locations where its pesticide products are used that have been identified as at-risk, including those at medium or high risk of negative biodiversity impacts from pesticide use and those in or near areas of biodiversity importance.

ASSESSMENT NOT ACHIEVED

Corteva does not disclose this information.

4.4 Expectation: The company discloses toxicological studies of all active ingredients included in its product portfolio, including all studies submitted to regulators for product approval.

ASSESSMENT NOT ACHIEVED

Corteva does not disclose any studies of its active ingredients.

5. Product innovation

5.1 Expectation: The company assesses the inherent risks of proposed agricultural solutions or those in development and ensures all new solutions pose the lowest possible risks to biodiversity.

ASSESSMENT PARTLY ACHIEVED

Corteva assesses products in development according to its sustainability criteria, which are based on the United Nations Sustainable Development Goals¹. The criteria related to biodiversity include “improve soil quality and restore degraded land” and “protect biodiversity and ecosystems”^{xv}. In 2021, the company identified the metrics used to assess products against these criteria, which include ensuring that new solutions have less environmental persistence and reduce risk to non-target organisms relative to at least one target benchmark product^{xvi}.

New products do not have to meet biodiversity-related criteria to be developed or to be considered ‘sustainable’. They must only meet “baseline requirements and deliver at least one notable sustainability advantage while maintaining parity compared to other products in the market today”^{xvii}. Corteva does not disclose baseline requirements.

The presence of indicators enabling Corteva to partly achieve this expectation – namely, the metrics used to assess product risk to biodiversity – is based on information provided in the company’s 2021 Sustainability and ESG Report. This information is absent from subsequent annual sustainability reports. The company has informed ShareAction directly that this information remains part of its innovation practices.

5.2 Expectation: The company has a target (such as sales, portion of product portfolio, or research and development spending) for expanding safer and sustainable alternatives.

ASSESSMENT ACHIEVED

Corteva has committed to every new product meeting its sustainability criteria by 2025^{xviii}.

5.3 Expectation: The company’s innovation practices explicitly include replacing hazardous products with lower risk alternatives.

ASSESSMENT NOT ACHIEVED

While Corteva compares new products with benchmark products, it has not publicly stated that these benchmark products are replaced with better performing products.

¹Sustainable Development Goal 15 is to ‘Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss’.

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Authors

Eve Gleeson

ShareAction»

shareaction.org
info@shareaction.org
+44 (0)20 7403 7800

Runway East,
2 Whitechapel Road,
London, E1 1EW, UK

Registered Charity
Number: 1117244

EU Transparency
Register number:
75791956264-20