





# Assessment of FMC Corporation's approach to addressing biodiversity loss


# FMC Corporation: Overview

FMC Corporation (FMC) is an agricultural chemicals company based in Pennsylvania, USA.

 **Market cap**  
\$11.76 billion

 **2022 pesticide sales**  
\$5.38 billion<sup>i</sup>

 **Highly Hazardous Pesticides**  
≥29

 **Top-selling Highly Hazardous Pesticides in 2018**  
1) Chlorantraniliprole 2) Bifenthrin 3) Carbosulfan 4) Malathion 5) Indoxacarb

 **EU-banned pesticides notified for export in 2018**  
10.16 tonnes (via Cheminova)

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	Not achieved
	E2.2a The company uses a clearly defined methodology to assess downstream impact of all pesticide products	Not 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	Not 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	Partly 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	Achieved

FMC is the fifth largest pesticide-producing company in the world and produces a high number of HHPs. FMC is the only company among those assessed that acknowledges the risks of HHPs and takes steps to mitigate these risks, although FMC identifies HHPs internally and not according to PAN's list. Despite FMC's good performance in sustainable innovation practices, the company does not appear to have any formal structures, such as impact assessment methodologies, commitments, strategies or disclosure practices, in place to guide efforts to address biodiversity loss.

## INDICATORS OF PROGRESS

- **Product innovation:** FMC's sustainable innovation practices include replacing products with more sustainable alternatives. The company has also referenced its efforts to identify and phase out HHPs.
- **Biodiversity strategy:** FMC states that it undertakes risk assessments and product stewardship programmes to safely manage the use of HHPs in specific countries.

## AREAS OF CONCERN

- **Biodiversity strategy:** FMC does not appear to have a clear strategy to address pesticide-related biodiversity loss and has no commitments or targets relevant to biodiversity.
- **Impact assessment:** FMC does not indicate that it assesses the biodiversity impacts on or risks to biodiversity from all pesticide products throughout its value chain, nor does it disclose a methodology to do so.

## 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

FMC produces at least 29 active ingredients that are Highly Hazardous Pesticides<sup>1</sup>.

**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

*FMC is not incorporated in a country subject to European Union pesticide use restrictions. However, the company's subsidiary Cheminova 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, Cheminova notified for export 10.16 tonnes of pesticides banned for use in the EU to other countries<sup>ii</sup>.*

<sup>1</sup>The company has stated that [HHPs accounted for less 0.2 per cent of its 2022 sales](#), however, it is not clear which pesticides the company considers to be HHPs and whether these align with PAN's list.

## 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 NOT ACHIEVED

There is no indication that FMC assesses its pesticide-related impacts or dependencies on biodiversity.

The company states that it “continuously monitors risks and issues related to biodiversity...”, however, additional information or findings of this process are not disclosed<sup>iii</sup>.

**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 NOT ACHIEVED

FMC does not disclose an impact assessment methodology to assess impact on biodiversity from all pesticide products.

FMC assesses potential risks of new products to biodiversity using its Sustainability Assessment Tool<sup>iv</sup>. See Expectation 5.1 for more 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 all relevant details of the company’s relationship and the nature of collaboration with all experts involved.**

ASSESSMENT NOT ACHIEVED

FMC does not appear to have a methodology to assess the biodiversity impact of all its products. The company does not indicate that its Sustainability Assessment Tool has been developed with or reviewed by independent 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

FMC does not have any commitments and targets that align with GBF Target 7.

FMC has committed not to develop any new HHPs, which the company identifies based on FAO/WHO criteria<sup>2</sup>. This commitment, while presented under the company’s ‘Biodiversity’ issue focus<sup>v</sup>, is excluded from the ‘Environmental Goals’ that guide the company’s sustainability strategy<sup>vi</sup>. The company reports progress on this commitment: in 2020 and 2021, HHPs accounted for around 0.4 per cent of company sales<sup>vii, viii</sup>; in 2022, HHPs accounted for around 0.2 per cent of company sales<sup>ix</sup>.

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

ASSESSMENT NOT ACHIEVED

FMC states: “we continue to actively review our portfolio according to the FAO process, taking action to phase out newly identified HHPs where alternatives exist.” The company has committed to not develop any new HHPs<sup>x</sup>.

However, FMC has not made any formal or time-bound commitment to phase out 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

FMC states that, where no effective alternatives to HHPs exist, the company undertakes risk assessments and product stewardship programmes for remaining HHP products in specific countries so they can be managed safely. FMC does not disclose which locations this includes, and if they have been identified as at-risk locations, nor does the company disclose details of its risk assessments and product stewardship programmes<sup>xi</sup>.

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<sup>2</sup> It is not clear if FMC’s identified HHPs align with those on PAN’s list.

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

ASSESSMENT NOT ACHIEVED

FMC does not appear to have a strategy to address biodiversity loss.

Biodiversity is referenced in the company's 'global sustainability platform', called 'Greater Than Green', which aims to "enhance soil health, crop nutrition and biodiversity on the farm to ensure healthy, resilient and productive harvests". However, biodiversity is not included in any of the platform's stated goals, which focus on energy, water, and waste<sup>xii</sup>.

## **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

FMC states that it reports against some topic areas required by GRI 304. However, the company does not report against all topics, nor does it provide all details required by the topics it does report against, to be considered fully aligned with this standard . FMC has not committed to align with or report against the TNFD framework or 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 PARTLY ACHIEVED

FMC does not publish an exhaustive list of active ingredients or annual sales volumes of HHPs. However, it does report the share of annual sales revenue attributed to HHPs it has identified in its product portfolio (see Expectation 3.1a).

### **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

FMC 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

FMC 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

FMC uses the Sustainability Assessment Tool to identify sustainability issues with products in development. The Tool includes a category on 'Environmental Consciousness' comprised of nine criteria relevant to the product's impact on biodiversity<sup>xiii</sup>. These criteria include many risk-based indicators, including ecotoxicity, risk to material species, and compatibility with precision farming.

It is not clear how many 'Environmental Consciousness' criteria a product must meet to be considered to positively impact 'Environmental Consciousness'. Products do not have to positively impact 'Environmental Consciousness' to be considered 'sustainable' or to progress through the development process: they must only perform better than a benchmark product in one of six Global Challenges assessed by the tool.

**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

The company has committed to spend its entire research and development budget on 'sustainably advantaged products' by 2025; this refers to those that outperform benchmark products according to the company's Sustainability Assessment Tool<sup>xiv</sup>.

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

ASSESSMENT ACHIEVED

This principle is built into FMC’s Sustainability Assessment Tool. The company advises “using a commercial product or products as benchmarks that the development product is designed to replace”. It is not clear whether, in practice, this has led to replacing the benchmark product in all cases.



# References

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