

# Assessment of UPL's approach to addressing biodiversity loss



# UPL: Overview

UPL Limited is an agricultural and industrial chemicals company based in Mumbai, India. The company mostly produces and sells post-patent (generic) pesticide products.



## Market cap

₹470.23 billion (\$5.71 billion)



## 2022 pesticide sales

₹36,300 crore (\$4.38 billion)<sup>i</sup>



## Highly Hazardous Pesticides

≥115



## Top-selling Highly Hazardous Pesticides in 2018

No data



## EU-banned pesticides notified for export in 2018

10,131 tonnes (via Arysta LifeScience)

|                       |   |              |
|-----------------------|---|--------------|
| 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                                     | Not 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                           | 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                  | Not achieved |
|                       | 5.2 The company has a target for expanding safer and sustainable alternatives   | Not achieved |
|                       | 5.3 The company's innovation practices include replacing hazardous products with lower risk alternatives              | Not achieved |

UPL produces and sells the highest number of HHPs of all companies assessed<sup>1</sup>. However, it does not appear to have any strategy, targets or methodologies focused on assessing or acting on biodiversity loss from its pesticide products, nor does the company have any established frameworks that guide sustainable solutions development. While UPL is small compared to other assessed companies, it is the largest pesticide producer in India.

<sup>1</sup> The total volume sold is likely to be lower than that of other assessed companies, as UPL has the lowest annual pesticides sales of all companies.

## INDICATORS OF PROGRESS

- None

## AREAS OF CONCERN

- **Product portfolio:** UPL produces and sells the highest number of HHPs of all assessed companies.
- **Biodiversity strategy:** UPL does not disclose a strategy to address pesticide-related biodiversity loss, nor does it have commitments or targets relevant to biodiversity.
- **Impact assessment:** UPL does not disclose a methodology to assess the biodiversity-related impacts or risks posed by its pesticide products.

## 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

UPL produces or sells at least 115 active ingredients that are HHPs<sup>ii</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.

*UPL is not incorporated in a country subject to European Union pesticide use restrictions. However, the company's subsidiary Arysta LifeScience 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, Arysta notified for export 10,131 tonnes of pesticides banned for use in the EU to other countries<sup>iii</sup>.*

## 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

UPL states that the company “works with experts to assess the impact of its operations on biodiversity as a part of its environmental impact assessment process and takes steps to reduce any negative effects”<sup>iv</sup>. However, it does not specify if this includes the assessment of pesticide-related impacts throughout the company’s value chain. It does not disclose details about this process or its outcomes<sup>2</sup>.

The company does not indicate that it assesses pesticide-related risks or dependencies<sup>v</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

UPL does not disclose a methodology it uses to assess the biodiversity impact of its pesticide products.

**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

UPL does not disclose a methodology it uses to assess the biodiversity impact of its pesticide products.

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<sup>2</sup> The company has stated in conversations with ShareAction that it is in the process of conducting life cycle assessments, but these do not include biodiversity.

### 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

UPL’s commitments and targets do not align with GBF Target 7.

UPL has committed to “achieve Net Positive Impact on biodiversity across our company’s value chain by 2030”<sup>vi</sup>. The company has not specified how this will be achieved or how progress will be measured.

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

ASSESSMENT NOT ACHIEVED

UPL has not publicly committed 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 NOT ACHIEVED

UPL has not disclosed a management plan to protect locations in its value chain at medium or high risk of biodiversity loss from pesticide use.

**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

UPL has not disclosed a strategy to address biodiversity loss. The company has a Biodiversity Policy; however, this does not reference the impact on biodiversity of the company’s pesticide products. It focuses primarily on environmental stewardship around production facilities that it owns and operates<sup>vii</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

UPL 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.

UPL 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 NOT ACHIEVED

UPL 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

UPL 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

UPL 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 NOT ACHIEVED

UPL does not indicate that it assesses the biodiversity risks of proposed alternative solutions or ensures that they pose the lowest possible risks to biodiversity.

**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 NOT ACHIEVED

UPL has not published any targets for expanding safer and sustainable alternatives.

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

ASSESSMENT NOT ACHIEVED

UPL does not appear to have a methodology, criteria or policy around sustainable innovation that includes this principle.

# References

- i UPL (2023) Reimagining Sustainability Expanding value horizons. Available at : [https://www.upl-ltd.com/financial\\_result\\_and\\_report\\_pdfs/AZlvf7Zh3Y2labzv9TOzPgHZ0RCR3GwSAGSja2mM/UPL-ANNUAL-REPORT-\\_FY-2023.pdf](https://www.upl-ltd.com/financial_result_and_report_pdfs/AZlvf7Zh3Y2labzv9TOzPgHZ0RCR3GwSAGSja2mM/UPL-ANNUAL-REPORT-_FY-2023.pdf) (Page 42)
- ii In addition to producing generic-brand pesticides, the company also appears to sell pesticides developed by other companies. This number includes HHPs that UPL sells, such as [BASF's Opera™](#) (marketed [here](#) by UPL) which includes the HHP epoxiconazole. It also includes HHPs sold by the company's subsidiary, Arysta LifeScience.
- iii Dataset available for download at: <https://www.publiceye.ch/en/topics/pesticides/banned-in-europe>
- iv UPL (2023) Biodiversity: UPL's Top to Bottom Driven Management Approach. Available at: <https://www.upl-ltd.com/sustainability/biodiversity>
- v UPL (2023) UPL Annual Report 2022-2023. Available at: [https://www.upl-ltd.com/financial\\_result\\_and\\_report\\_pdfs/AZlvf7Zh3Y2labzv9TOzPgHZ0RCR3GwSAGSja2mM/UPL-ANNUAL-REPORT-\\_FY-2023.pdf](https://www.upl-ltd.com/financial_result_and_report_pdfs/AZlvf7Zh3Y2labzv9TOzPgHZ0RCR3GwSAGSja2mM/UPL-ANNUAL-REPORT-_FY-2023.pdf)
- vi UPL (2023) UPL Biodiversity Policy. Available at: <https://www.upl-ltd.com/pdf/biodiversity/Biodiversity-Policy.pdf>
- vii UPL (2023) UPL Biodiversity Policy.



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