



**Syngenta Foundation for Sustainable Agriculture,
Basel**

Report of the Statutory Auditor
on the Limited Statutory Examination
to the Board of Directors

Financial Statements 2021



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Report of the Statutory Auditor on the Limited Statutory Examination to the Board of Directors of Syngenta Foundation for Sustainable Agriculture, Basel

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Syngenta Foundation for Sustainable Agriculture for the year ended 31 December 2021.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of personnel and analytical procedures as well as detailed tests of documents of the unit as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the foundation's charter and regulations.

KPMG AG

Marc Stadelmann
Licensed Audit Expert
Auditor in Charge

Thomas Kunkel
Licensed Audit Expert

Basel, 7 July 2022

Enclosure:

- Financial statements (balance sheet, income statement and notes)

Syngenta Foundation for Sustainable Agriculture (SFSA)

Balance Sheet as of 31st December 2021 (in CHF)

	Notes	31.12.2021	31.12.2020
ASSETS			
Current assets			
Cash and cash equivalents		766,882	892,490
Other short-term receivables	4.1	4,384,985	1,758,203
Prepaid expenses and accrued income		2,127,485	397,122
Total current assets		7,279,351	3,047,816
Non-current assets			
Other long-term receivables	4.2	0	593,940
Total non-current assets		0	593,940
TOTAL ASSETS		7,279,351	3,641,756
LIABILITIES			
Short-term liabilities			
Other short-term liabilities		1,501,583	798,463
Accrued expenses and deferred income	4.3	5,120,831	2,468,781
Short-term loan subordinated	4.3.1	0	50,000
Total short-term liabilities		6,622,414	3,317,245
Long-term liabilities			
Other long-term liabilities		368,255	278,238
Total long-term liabilities		368,255	278,238
Foundation capital			
Result brought forward		46,273	-45,770
Result for the year		242,410	92,044
Total foundation capital		288,683	46,273
TOTAL LIABILITIES and FOUNDATION CAPITAL		7,279,351	3,641,756

INCOME STATEMENT 2021 (in CHF)

	Notes	2021	2020
Operating income			
Donations received		20,283,935	19,080,142
Total operating income	4.4	20,283,935	19,080,142
Operating expenses			
Contribution and donations paid		-9,681,351	-9,703,610
Personnel expenses		-6,463,803	-6,100,766
Other operating expenses		-4,118,235	-2,989,417
TOTAL operating expenses	4.5	-20,263,389	-18,793,793
Operating result		20,546	286,349
Extraordinary Income	4.3.1	50,000	0
Financial income and expenses			
Financial income		175,721	4,310
Financial expenses		-3,859	-198,615
TOTAL financial result		171,863	-194,305
Result for the year		242,409	92,044

Syngenta Foundation for Sustainable Agriculture (SFSA)

Annual Financial Statement as of 31st December 2021

Appendix

1 Principles and Organization

1.1 Name and registered office

A Foundation within the meaning of Art. 80 et seq. (Article eighty et sequitur) of the Swiss Civil Code exists under the name "SYNGENTA STIFTUNG FÜR NACHHALTIGE LANDWIRTSCHAFT", "FONDATION SYNGENTA POUR UN DEVELOPPEMENT DURABLE DE L'AGRICULTURE", "SYNGENTA FOUNDATION FOR SUSTAINABLE AGRICULTURE", with registered office in Basel.

1.2 Mission

The mission of Syngenta Foundation for Sustainable Agriculture (SFSA) is in the promotion of sustainable agriculture to smallholder farmers, by strengthening smallholder farming and food systems. This is achieved via catalyzing market development and delivering of innovations, while building capacity across the public and private sectors.

1.3 Deed of Foundation

Deed of Foundation: Basel, 4 September 2001, amended on 29 August 2016

1.4 Governing body

		Term of office	Signatory Power
Erik Fyrwald	President	from 2018	Joint
Simon Winter	Executive Director	till 2025	Joint
Mohamed Ait Kadi	Member of SFSA board	till 2024	Joint
John Atkin	Member of SFSA board	till 2022	Joint
Lord Paul Yaw Boateng	Member of SFSA board	till 2023	Joint
Shenggen Fan	Member of SFSA board	till 2024	Joint
Jennifer Blanke	Member of SFSA board	till 2024	Joint
Bindu Ananth	Member of SFSA board	till 2025	Joint
Rebecca Hubert Scherler	Legal Counsel		Joint
Natalia Mezzenga	Head of Finance and Operations		Joint
Dr. Michael Peter Robinson	Chief Science Advisor		Joint

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1.5 Auditors, supervisory authority

Auditors: KPMG AG, Basel

Supervisory authority: Justiz- und Sicherheitsdepartement des Kantons BS
Aufsichtsbehörde: BSABB, BVG- und Stiftungsaufsicht beider Basel
Ref.-Nr.: KBS-2872

1.6. Number of employees

SFSA has no more than 50 permanent employees.

2 Way of implementation of the purpose

2.1 Financing, method of financing

The expenditures of SFSA are annually financed fully by donations from companies of Syngenta Group and third parties.

3 Valuation and accounting standards, consistency

3.1 Confirmation on accounting

SFSA has no commercial business within the meaning of Article 934, paragraph 1 OR (Swiss Code of Obligations).

There is no profit motive.

The general accounting principles in accordance with Article 957 et seq. are applied.

3.2 Accounting and valuation principles

The accounting and valuation principles comply with the requirements of the Swiss Code of Obligations (OR). Reported are current respectively actual values at the balance sheet date. Currency conversion is done with the current rate on the balance sheet date. These principles are applied unchanged from the previous year. The resulting exchange rate differences are included on the income statement.

4 Main positions in balance sheet and income statement

	31.12.2021	31.12.2020
	CHF	CHF
4.1 Other short-term receivables		
Open account with Syngenta Crop Protection AG	4,434,985	1,758,203
Total	4,434,985	1,758,203
4.2 Other long-term receivables		
Long-term shareholder loan	0	593,940
Total	0	593,940

In 2020 SFSA has agreed an extension of the repayment date of the ACRE shareholder loan from 31.12.2020 to 31.12.2023.

However, ACRE continues not to be profitable and is running out of cash; there is a high risk that the loan, which was classified as a long term receivable, will not be recovered. Therefore an impairment against the risk of recovery of the loan has been booked under "other operating expenses".

4.3 Accrued expenses and deferred income

Accrued expenses - VAT	771,000	526,000
Accrued expenses - holiday	48,111	44,336
Accrued expenses - incentive	692,781	668,645
Accrued expenses - other	3,608,939	1,229,800
Total	5,120,831	2,468,781

4.3.1 Short-term loan subordinated

Subordinated loan with SCPAG	-	50,000
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Based on the fact that as of Dec 31, 2019, SFSA had a negative equity of CHF 45'770, the sum of CHF 50'000 was granted as subordinated loan by Syngenta Crop Protection Ltd., Basel. This sum was granted based on the subordinated loan agreement from Nov 20, 2019. In 2021 the loan has been waived by Syngenta Crop Protection Ltd., as result SFSA has recorded an extraordinary income in the amount of CHF 50'000.

	2021	2020
	CHF	CHF
4.4 Operating Income		
Donation Syngenta Crop Protection AG	17,525,094	17,033,790
Agriservices Development	600,563	218,357
Programmatic	142,330	0
Agricultural Insurance Services	804,879	363,979
Seeds	1,211,069	1,464,015
Total operating income	<u>20,283,935</u>	<u>19,080,142</u>

Following a restructuring of the Portfolio in 2021, in addition to Agriservices, Insurance Services and Seeds, a Programmatic sub-portfolio was created to enhance transparency and traceability of income from Climate Smart Resilient Agriculture (i.e. sales of carbon credits). In 2020 CSRA activities were included within Agriservices.

	2021	2020
	CHF	CHF
4.5 Operating Expenses		
Agriservices Development	3,110,568	2,373,725
Agricultural Insurance Services	2,200,218	1,048,535
Seeds	3,608,514	3,718,111
Programmatic	1,367,621	1,665,382
Development	98,946	35,520
Operations	9,877,524	9,952,520
Total Operating Expenses	<u>20,263,389</u>	<u>18,793,793</u>

SFSA operates across sub-portfolios and core functions. Following a restructuring of the Portfolio finalized in 2021, in addition to Agriservices, Insurance Services, Seeds and Operations, two new sub-portfolios were created for higher visibility of programmatic and development activities.

The sub-portfolios are the following:

- Agriservices Development, which includes Farmers Support Services and digital decision tools;
- Agricultural Insurance Services for smallholder farmers, implementing and scaling up affordable agricultural insurance products and risk transfer mechanism to access credit;
- Seeds, which includes investments in plant breeding and technology transfer of seeds of new varieties to smallholders farmers;
- Programmatic, which includes global strategic grants with One Acre Fund and The Nature Conservancy across various sub-portfolios, investments in climate smart resilient agriculture, and investments in developing new partnerships and communicating SFSA approach widely and effectively;
- Development, which includes investment in capacity building and organization excellence;
- Operations, which includes the remuneration to the members of SFSA Board of CHF 60'000 (as allowance) in year 2021 (2020: CHF 55'000). They also include personnel expenses, other taxes and fees, rent expenses and other minor expenses.

5 Investment

SFSA's Kilimo Salama project was spun off and incorporated as ACRE Africa (Agriculture and Climate Risk Enterprise Limited), a Kenyan private limited company, following approval from Steuerverwaltung Basel-Stadt on 10th July 2013. ACRE Africa received confirmation from the Kenyan Registrar of Companies that it was duly registered and came into existence as a Kenyan private limited company on 5 March 2014. SFSA held 60% of shares at the time of incorporation and in 2017 this shareholding increased to 68.33% following a transfer to SFSA from an outgoing shareholder. Two of the other existing impact investors, Grameen Credit Agricole and AHL Venture Partners (part of the Lundin Foundation Group) remain with SFSA as shareholders of ACRE Africa.

SFSA Seeds project was scaled up and incorporated in 2015 as Seeds2B Africa Limited, a Kenyan private limited company, following approval from Steuerverwaltung Basel-Stadt on 9 December 2015. SFSA holds 50% of voting rights and issued shares in Seeds2B Africa, with a value of KES 100 (total value of CHF 1).