

Code of Business Ethics

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Preface of the board of directors

In 2006, we celebrated the 150th anniversary of our company. In the course of this long tradition, values like confidence, mutual respect, and integrity have become main features of KWS, and shaped our company and our reputation. We all "live" these values.

KWS is active in many countries around the globe. Therefore, our action follows the ethical principles, which are valid throughout the whole world. They shape our identity, and they are more than just the respect of laws.

Every single member of the KWS staff bears responsibility for KWS be it in business, while dealing with administrations, in public, or within the company itself. Each and every one is called to protect the reputation of KWS and its patrimony, while KWS bears responsibility for its staff.

The Code of Business Ethics regulates the requirements and the definition of this mutual responsibility. Binding for the KWS-group and all its staff members, the Code of Business Ethics fixes the basic rules of conduct, thus creating transparency and safety in action. The respect of this Code of Business Ethics is regularly audited.

The board of directors relies on every one of you to feel responsible for our values, within the company as well as in our relations with others outside the company. We are convinced that the conservation and safeguarding of our corporate culture is indispensable for our way into the future.

The board of directors

I. INTRODUCTION

1. Guiding Principles

In more than 150 years of company history, KWS has become one of the leading enterprises in plant breeding with 50 subsidiaries and participated companies worldwide. Our staff, conscious of its responsibilities, is the key to win and safeguard the confidence of our customers.

Our employees have to act competent in social and ethical matters and comply with all applicable laws and rules of conduct of our company.

Any infringement or violation of laws or regulations may lead to substantial – and not only financial – damage to our company. Therefore, such infringements may lead to legal consequences for the respective employee as well.

By the present Code of Business Ethics, the KWS group declares itself committed to comply with the laws, to respect fair play in competition, to foster safety at work and environmental protection, and to care for respectful relations with one another, with clients, business partners, any other third party and with public authorities.

The Code of Business Ethics informs about responsibilities of particular importance and key ethics issues.

The Code of Business Ethics is made for all staff members of the KWS group and will be updated regularly. KWS also expects its business partners to act ethically and in a manner consistent with this Code of Business Ethics.

- Integrity and ethical business conduct are the foundation of our business.
- To follow the law at all times is of major importance for the KWS staff.

2. Applicable laws

KWS conducts business in many countries around the world and, as a result, our business activities are subject to many different laws, regulations, customs and cultures.

KWS respects and declares itself committed to comply with all applicable laws and regulations. The staff members of the KWS group are obliged and business partners are expected to do the same. We behave in accordance with legal prescriptions, be it a regulation of favourable or unfavorable character for the company.

Every staff member is personally responsible to respect existing laws, ethical principles and cultural differences.

3. Responsibilities

This Code of Business Ethics applies to all employees and directors of the KWS group worldwide. Every staff member is personally responsible to respect existing laws and ethical principles. It is also the responsibility of the respective superior to care for this. However, no code of conduct or statement of principles can provide clear instructions for every situation. In the final analysis, every employee is requested to rely on his own good judgement and sense of ethical behaviour to make sure that his/her actions are in line with these guiding principles.

Even the suspicion of a violation may damage our company's reputation and consequently its position in the market. Therefore, it is of utmost importance for everybody to be conscious of one's responsibility.

If you select a service provider of any kind, you should make a reasonable effort to assure that the service provider has a reputation for integrity and ethical business conduct.

3.1. Responsibilities of employees

Every staff member is personally responsible to respect existing laws and ethical business principles.

- Follow the law at all times: Remember that any infringement may lead to substantial damages and is not in the interest of the company.
- Understand the principles of the Code of Business Ethics and apply them in your job every day. Whenever you have questions about the application of this Code of Business Ethics, seek assistance from your supervisor, the Compliance Office, or other KWS resources.
- Act loyal towards KWS – raise any Business Ethics concern you might have.

3.2. Additional Responsibilities of Supervisors and Managers

Supervision of Business Ethics is as important as supervision of performance. Supervisors and managers have to monitor ethics compliance.

- **Lead** by example and **train** your employees to be ethical in all dealings and to avoid even the appearance of unethical conduct.
- Never cover up or ignore a violation of the Code of Business Ethics; in doubt contact your superior or the Compliance Officer for assistance.
- Encourage employees to raise compliance issues and ensure open communication in your department to ask questions concerning compliance matters.

„A wise man is who does not suspect fraud everywhere or who does not always presume others to be dishonest, but nevertheless is able to realize these matters first.“

(Konfuzius)

4. What to do if you have an ethics concern!

An important responsibility of KWS employees is the obligation to raise a concern about a possible violation of the Code of Business Ethics or the law. If you are reluctant to raise these concerns, you should remember that you could cause harm to KWS if you remain silent.

No employee who reports a suspected violation in good faith will be subject to retaliation for having made the report.

All employees may report concerns or possible violations of this Code of Business Ethics by any of the following methods:

Please contact...

A. your supervisor

You can always contact your supervisor directly.

- or -

B. the Corporate Compliance Office

**Mail: KWS SAAT SE
Corporate Compliance Office
Grimsehlstraße 31
37555 Einbeck**

Tel.: +49 5561 311-218

Fax: +49 5561 311-500

**Email: margareta.mann@kws.com; felix.klose@kws.com;
franziska.schnuch@kws.com**

- or -

C. the Compliance-Hotline or the Compliance-Website

Hotline No.: 0800 182 3246¹

Website: wrs.expolink.co.uk/kws

¹ Cost-free from Germany. You can find a list with all cost-free numbers from around the world at http://intranet.kws.de/global/show_document.asp?id=aaaaaaaaayxot.

5. Discipline of Violations

KWS is not willing to tolerate violations of this Code of Business Ethics. Therefore, appropriate disciplinary action will be taken against any employee or director whose conduct violates this Code of Business Ethics or applicable laws and regulations.

Each superior shall organise his sphere of responsibility in a way that notifications of violations may reach him at any time.

Every staff member is obliged to notify immediately of any actual or potential violation of the present Code of Business Ethics. The company will make sure that no staff member has to suffer discrimination or is adversely affected by reports done in good faith.

- Violation of the Code of Business Ethics will lead to disciplinary action.
- Any false report knowingly made, will also be subject to disciplinary action.
- Self-reporting of Ethics violation will be considered when determining disciplinary action.

II. COMPETITION AND MARKET

1. Fair Treatment of Employees

Fairness and respectful relationships are of the highest priority for our company. Every staff member has to be aware of the fact that his conduct will be identified with the company. Therefore, we act friendly, objectively, and fair in our relations with colleagues and third persons.

We are convinced that work quality and the commitment of everybody working in the company depend on the quality of the working environment. Sexual harassment or any discrimination against colleagues because of their religion or belief, racial or ethnic origin, age, disability, colour, language or sexual orientation is strictly prohibited and will not be tolerated.

Successful cooperation is based on successful communication. Each staff member has to endeavour to contribute to the decision-making processes. Successful project work requires initiative and the ability and willingness to work in teams.

- Act fair and respectful at all times.
- Do not discriminate anyone.
- Protect the quality of your working environment.

2. Dealing with Business Partners

Part of the foundation of our company's success are successful and reliable business relationships. Therefore, each staff member has to endeavour to be polite, respectful and fair in contacts with business partners.

Our business relations are solely governed by objective criteria. Personal interests may not interfere or influence business activities. Consulting services or recommendations by our staff members may not be motivated or encouraged by material or immaterial advantages.

KWS bases its relationships with business partners on lawful, efficient and fair business practices. The selection of business partners must be made on the basis of objective criteria, including quality, price, delivery, adherence to schedules, product suitability, maintenance of adequate sources of supply and purchasing practices and procedures.

3. Dealing with Authorities

KWS maintains open and cooperative relations with public authorities. Staff members must not try to obstruct possible investigations of authorities. Instead, employees are encouraged to assist public authorities wherever necessary and appropriate. However, in order to safeguard the company's and respective staff member's legitimate interests, consultation with the legal department or legal representative is recommended.

4. Fair Competition

We commit ourselves to fair play in competition and to fairness in contracts with our business partners.

Anti-competitive conduct may seriously damage the company's assets as well as the company's reputation. Therefore, anything, which could be taken as a sign of such misbehaviour, has to be avoided. Further details about anti-trust regulations can also be found in the KWS Cartel Law Guidelines.

5. International Trade

The United Nations, the European Union and national governments regulate international trade, such as imports, exports and international financial transactions. Severe civil and/or criminal penalties may be levied against companies or individuals that violate export controls.

- Follow all relevant international trade control regulations, including licensing, shipping documentation, duty requirements, import/ export documentation, and reporting and record retention requirements of all countries in which you conduct business.
- Watch out for embargoes against countries as well as against Specially Designated Nationals. Watch out for sanction programs that prohibit any transaction with certain designated individuals and organizations, such as terrorist organizations or other criminals.
- Understand which party to an international trade transaction is responsible for the accuracy of trade documentation and ensure that KWS has properly discharged its obligations in the transaction.

III. CONFLICT OF INTEREST

1. Anti-Corruption Regulations

The entrepreneurial actions of the KWS group are characterised by fairness, transparency and responsibility. We actively encourage fair competition based on the quality of our products and services. We support national and international efforts aimed at combating corruption. Our employees are obliged to respect the anti-corruption regulations in each country.

Furthermore, KWS' policy goes beyond legal requirements of the respective countries. KWS prohibits granting or requesting any undue advantages. KWS expects its international business partners, agents, consultants, and any other third parties representatives to act according these principles as well.

- Never give, offer, or authorize the offer of anything of value to employees or representatives of a customer, supplier or government official, to obtain any advantage.
- Never give, offer or authorize the offer of a business courtesy (such as a gift, contribution or entertainment) in circumstances that would create an appearance of impropriety.
- For specific details, refer to the KWS International Anti-Corruption-Guidelines.

2. Private Activities

Staff members are not allowed to enter into an additional employment relationship, be it freelance or an active entrepreneurial activity, without prior written agreement of the superior.

This applies in particular to functions in companies, which maintain or might maintain business relations with KWS or which compete or might compete with KWS.

You have a responsibility to avoid situations and relationships that involve actual or possible conflicts of interest. The appearance of a conflict may be just as damaging to reputation as an actual conflict. Any private activity in any organization should also be compatible with the activities and ethical standards of KWS.

A conflict situation can arise if you take actions or have interests that are inconsistent with the interests of KWS or that may interfere with your ability to perform your job effectively on behalf of the Company.

3. Insider Regulations

KWS is listed at the stock exchange. Theoretically, the knowledge of insider information or affairs can be abused in the dealing of KWS shares. "Insider Information" is any specific information about circumstances relating to a quoted joint stock company like KWS, which are not publicly known and suitable to have a significant effect on the stock price in the case of their publication.

Therefore, all employees are to restrain themselves from using or furnishing insider information on projects or matters of the KWS Group, in particular for the purchase or sale of shares, or from giving any recommendation in this regard, be it in person or by bringing in a third party, be it for personal benefit or for the benefit of a third party.

The forwarding of such information to any third party, even if involved in specific KWS-projects, is prohibited, unless it is absolutely necessary for the project, and secrecy has been agreed upon in writing.

The sole suspicion of insider dealing may cause substantial damage to the company. The use of insider information is liable to prosecution.

- Keep insider information confidential.
- Do not use insider information for purposes of buying or selling shares of KWS, or for recommending third persons to do so.
- For specific details refer to the KWS “Standards for handling of Insider Information” or consult with the legal department.

IV. PROTECTION OF CORPORATE ASSETS

1. Protection of confidential information

Your position within KWS may give you access to confidential information about our business, customers, suppliers and other organizations with which we do business. Employees must keep this information strictly confidential. You should consider all information gained through your employment as confidential KWS information. Accessing or attempting to access confidential or personal information for non-business related purposes is strictly prohibited.

- Do not disclose confidential information to anyone outside the Company without the express written approval of the respective responsible head of department.
- Disclose confidential information to other employees only for legitimate business purposes (need-to-know basis).
- Handle all confidential information with care to avoid inadvertent or careless disclosure.

KWS was able to reach its present position in the market by intensive scientific research and developing successful products and marketing strategies. The findings of this research and development are part of the most valuable assets of the company.

Therefore, it is of particular importance to avoid any disclosure of such internal matters and information to unauthorized persons. All information, documents and data carriers of any kind, in particular those protected by data protection acts, are to be duly protected from unauthorized access.

In case a staff member is absent from his work place, he has to make sure that any confidential information remains inaccessible for third persons. This also applies to emails of confidential character. Nobody is entitled to copy any documents or data for other purposes than company use.

KWS treats customer information in full consciousness of its legal and ethical responsibilities.

2. Handling of corporate assets

Each staff member is obliged to handle company property with care and in line with the respective entity's policies and procedures. This applies to tangible assets (e.g. office furniture, vehicles, tools) as well as to intangible assets (e.g. business secrets, know-how). Software must be used exclusively in accordance with the respective licenses. No staff member is entitled to use company property or work force for private purposes, unless explicitly authorized by the responsible superior.

It is not allowed to remove company property from the company premises, to copy, destroy, take away from the company data carriers, data, software programs or documents without previous authorization by the responsible superior.

V. CORPORATE PROCESSES

1. Safe working conditions

KWS conducts its business in compliance with all environmental health and safety laws and the protection of the environment. Our policy is to conduct our business in a socially responsible and ethical manner that protects the environment and the health and safety of our customers and employees.

Any law or regulation regarding environmental protection or work safety is to be strictly respected. The same applies to internal guidelines and regulations of the company. Staff members working with dangerous machines or installations receive special training and supervision. Machines and installations are maintained regularly in order to exclude any avoidable risk. Every staff member shares the responsibility for the protection of man and environment in his domain. To inform superiors on any existing or possible defect at the workplace is part of such responsibility, whilst it is in the superior's responsibility to remedy any defects.

To ensure efficient environmental protection, KWS informs the staff members on the necessary precautionary and protective measures. If a staff member becomes aware of any possible danger for the environment, he has to notify his superior immediately of such danger. In case of accidents or operating troubles, the competent and responsible departments are to be informed immediately and in detail.

No staff member has to fear any disadvantages resulting from such notice, as it is in the interest of everybody to care for notice been given in time, correctly and completely.

- Follow all company policies and directives relating to the environment and the health and safety of our customers and employees.
- Avoid unsafe activities and conditions, including blocking fire exits, improper shelving of inventory and obstructing aisles.
- Immediately report any suspected violations of environmental law or health and safety laws.

2. Research & Development

Our scientific research forms the foundation of our company's success. It is done in compliance with recognised, valid scientific standards and documented accordingly. Inventions, patents, and any other know-how constitute integral company assets. Therefore, the legal safeguarding of the findings and results of our research is of utmost importance for KWS. Secrecy has to be maintained on methods and proceedings, unless they are generally known. Any agreements with third parties on licenses or transfer of know-how have to be checked by the legal department before being signed.

In the field of product development, existing proprietary rights of third parties have to be respected, and unauthorised use is prohibited.

KWS has fixed standards for the use of breeding material of third parties, and the company has obliged all persons concerned to respect and comply with legal, contractual, and other dispositions and regulations when acquiring and using breeding material of third parties. In case of questions regarding the legal protection of know how, the legal and patent department has to be consulted.

3. Product safety

Our responsibility does not end with the successful development and marketing of our products. The experiences of our customers are to be ascertained and taken into account in order to support safe handling and best use of our products. In case of any recognised safety concern, which could arise with respect to the use of our products, the department responsible for that product has to be notified immediately.

4. Biotechnology

KWS considers biotechnology as an important enabler in plant breeding and sustainable agriculture. In this context, transparency in our research, openness and comprehensibility of what we do are important for our good relationship with customers and consumers. KWS business is guided by cautiousness and a sense of responsibility for the safety and health of man and the environment.