



KWS UK Ltd Tax Strategy

Scope

Introduction to Group structure

This strategy applies to KWS UK Limited and to the group of companies headed by KWS UK Limited ('the Company') in accordance with Schedule 19 to the Finance Act 2016. This tax strategy was published on 03/08/2020 and the Company regards this publication as complying with its duty under paragraph 16(2) Schedule 19 FA 2016 in its financial year ended 30 June 2020.

This strategy applies from the date of publication until it is superseded. References to 'UK Taxation' are to the taxes and duties set out in paragraph 15(1) of the Schedule which include Income Tax, Corporation Tax, PAYE, NIC, VAT, Insurance Premium Tax, and Stamp Duty Land Tax. References to 'tax', 'taxes' or 'taxation' are to UK taxation and to all corresponding worldwide taxes and similar duties in respect of which the Company has legal responsibilities.

The ultimate parent company is based in Germany (KWS Saat SE & CO. KGaA), where the majority of the group's business operation are concentrated. The group is present in approximately 40 countries around the world with about 70 entities.

Aim

KWS UK is committed to full compliance with all statutory obligations and full disclosure to relevant tax authorities. The Company's tax affairs are managed in a way which considers the Company's and the group's wider corporate reputation in line with the group's overall high standards of governance.

Governance in relation to UK taxation

- The ultimate accountability for the KWS groups' tax strategy rests with the Executive Board of the group;
- The executive responsibility for tax matters is delegated to the Chief Financial Officer ('CFO') who is a member of the Executive Board of the group;
- The responsibility for the day-to-day management of the Company's tax affairs is delegated by the CFO to the Head of Expert Hub Finance, who subdelegate it to the Lead of the Expert Hub Tax;

- The day-to-day operation of the tax affairs of the Company is managed by two tax functions: Expert Hub Tax, and the Global Transaction Centre – Tax and Tax Compliance team ('GTC Tax team'). The exact split of activities in terms of tax affairs is based on the mutual agreement of the teams the operation of which having an impact on the outcome of the tax processes (e.g. tax returns, tax claims, financial statement);
- Regular communications are in place between the CFO, the Head of Expert Hub Finance and the Lead of Expert Hub Tax about the tax affairs of the Company, including among others tax risks, tax status, business projects, etc.
- Both the Expert Hub Tax team and GTC Tax team are staffed with appropriately qualified individuals;
- The Audit Committee of the group monitors, among others the integrity of the Company's financial reporting system, including the accounting and year end closing processes, the internal control and financial, including tax risk management process. The members of the Audit Committee are elected by the Supervisory Board of the Group;
- Via the close collaboration between the above tax functions and the business, it is aimed to ensure that the Company's tax strategy is one of the factors considered in all investments and significant business decisions taken.

Risk Management

- The group operates a system of financial, including tax risk assessment, processes and controls as a component of the overall risk and internal control framework. The financial risk assessment is part of the quarterly risk assessment cycle;
- The group seeks awareness of tax risks arising from its operations and mitigation of them by ensuring that reasonable attention and care is applied to all processes which could materially affect its compliance with its tax obligations;
- Processes relating to different taxes are allocated to appropriate process owners, who carry out a review of the activities and processes (a) to identify key risks which need to be addressed and (b) after considering the materiality of the risks and the obligations in question to determine actions to be taken to manage those risks. These key risks are monitored for business and legislative changes which may impact them, and changes to processes or controls are implemented when required;
- Appropriate training is carried out for staff inside and outside the tax functions managing or processing matters which have tax implications;
- Advice is sought from external advisers where appropriate.



Attitude towards tax planning and level of risk

- The group manages risks to ensure compliance with legal requirements in a manner which ensures payment of the right amount of tax.
- When entering into business transactions, KWS UK seeks to take advantage of available tax incentives, reliefs and exemptions in line with, and in the spirit of the tax legislation and the KWS values. KWS UK does not undertake tax planning unrelated to such business transactions.
- The level of risk which KWS UK accepts in relation to UK taxation is consistent with its overall objective of achieving certainty in the Company's tax affairs. At all times KSW UK seeks to comply fully with its regulatory and other obligations and to act in a way which upholds its reputation as a responsible corporate citizen.

Relationship with HMRC

- The Company supports a relationship with HMRC, based upon mutual trust and respect which will enable constructive dialogue and responsiveness by all parties in order to fulfil our responsibilities.
- KWS UK seeks to have an open and transparent relationship with HMRC in respect of developments in the Company's business, current, future and retrospective tax risks, and in respect of the interpretation of the law in relation to all relevant taxes. We work collaboratively, wherever possible, to resolve any tax issues at an early stage which may arise, including the interpretation of law.
- When submitting tax computations and returns to HMRC, the Company discloses all relevant facts and identifies any transactions or issues where it considers that there is potential for the tax treatment to be uncertain.
- Any inadvertent errors in submissions made to HMRC are fully disclosed as soon as reasonably practicable after they are identified. The Company's aim is to comply with all our disclosure requirements, and not dissemble or misrepresent, all material facts.

Andrew Newby
Managing Director KWS UK Ltd