



Annex to the 2017 | 2018 Annual Report

Additional mandatory GRI disclosures
for sustainability reporting

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THE FUTURE**
SINCE 1856



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Introduction

Since 2008, KWS has presented its economic, ecological and social impacts in an annual Sustainability Report.

The Sustainability Report was combined with the Annual Report this year. The Annual Report is the lead document for annual reporting. It is supplemented by the 2017/2018 declaration on corporate governance and this additional GRI document, which presents the further mandatory GRI disclosures that were not included or were not presented in sufficient detail in the Annual Report or the 2017/2018 declaration on corporate governance.

All the report elements can be found on the website at www.kws.de/ir.

Overview: Structure of and documents in KWS' annual reporting for 2017/2018

Leading document:



Supplements:



Annotated GRI Content Index

Universal Disclosures

GRI 102: General Standard Disclosures

The General Standards provide a general strategic overview of the organization's sustainability.

■ = Completely reported ■ = Partly reported □ = Not reported

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
Organizational Profile			
102-1	Name of the organization	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-2	Activities, brands, products, and services	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-3	Location of headquarters	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-4	Location of operations	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-5	Ownership and legal form	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-6	Markets served	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-7	Scale of the organization	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-8	Information on employees and other workers	<p>The total headcount is explained in the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.1 Employment Trends.</p> <p>The required disclosures on employees by type of contract (permanent / temporary) and type of employment (full-time / part-time) are not available for the KWS Group at present. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.</p> <p>A significant proportion of the work is performed by seasonal workers. They carry out harvesting in the fields and some of them have a contract with KWS, while others are employed at agencies.</p>	■
102-9	Supply chain	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-10	Significant changes to the organization and its supply chain	See the 2017/2018 Annual Report: Combined Management Report / Section 2.1 Fundamentals of the KWS Group	■
102-11	Precautionary principle or approach	The precautionary principle is not yet firmly enshrined in corporate governance. Nevertheless, it is naturally used in research and breeding, especially in relation to the use of modern breeding methods, in the form of risk and opportunity assessments.	■

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
102-12	External initiatives	KWS has been a member of the “Climate Protection Companies,” an excellence initiative of the German business community in the field of climate protection and energy efficiency, since October 2010. As part of that, we undertake voluntarily to achieve measurable and ambitious objectives and we keep on enhancing our activities further in this regard (www.klimaschutz-unternehmen.de).	■
102-13	Membership of associations	A breakdown of our main memberships can be found on page 22 of the annex.	■
Strategy			
102-14	Statement from senior decision-maker	See the 2017/2018 Annual Report: To our Shareholders / Foreword of the Executive Board	■
102-15	Key impacts, risks and opportunities	See the 2017/2018 Annual Report: Combined Management Report / Report on KWS SAAT SE / Section 2.9.2 Combined Non-Financial Declaration for the KWS Group	■
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.3 Business ethics and compliance	■
102-17	Mechanisms for advice and concerns about ethics	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.3 Business ethics and compliance	■
Governance			
102-18	Governance structure	<p>KWS has a dual corporate governance structure, comprising the Executive Board and Supervisory Board, for managing and controlling the company.</p> <p>The Executive Board has established four bodies:</p> <p>The Corporate Management Circle (CMC): Four times a year, the entire Executive Board, the heads of the product segments and the heads of the group functions Research & Services, Controlling and Corporate Development & Communications discuss strategic projects in the Corporate Management Circle. Coordination in the CMC serves as the basis for decision-making. The main contents of the deliberations relate to prioritization of strategic initiatives and premises for planning and targets.</p> <p>The Corporate Functions Circle (CFC): The Corporate Functions Circle, which likewise convenes four times a year, is composed of the heads of all administrative functions at the group and deals with overriding issues of corporate strategy relating to the group functions under the leadership of the Chief Financial Officer.</p>	■

Required disclosures (Abbreviations, original English version)	Comments by KWS	Completeness of reporting (own assessment)
	<p>The Guideline Committee (GC): The Guideline Committee, which convenes once a year, is composed of the heads of the product segments, a representative from Research and Development and the heads of the group functions Human Resources and Controlling. It adopts the Rules, Guidelines and Procedures for the KWS Group under the leadership of the Chief Financial Officer and is organized by the head of the KWS international Rules, Guidelines and Procedures.</p> <p>The International Management Circle (IMC): Internationally relevant management issues and questions of the company's development are discussed in the International Management Circle, which convenes once a year and is composed of members of the CMC and managers of the KWS Group chosen on the basis of the subject at hand. Management of the Corporate Development & Communications department is responsible for organizing it.</p> <p>The Supervisory Board has established three committees: the Audit Committee, the Committee for Executive Board Affairs and the Nominating Committee. Information on their tasks and composition can be found on the website under www.kws.de / Company / Investor Relations / Corporate Governance.</p> <p>KWS does not currently have a special body or committee for sustainable, responsible development.</p>	
102-19	Delegating authority	There is not currently any special process for delegating responsibility for sustainability from the corporate governance bodies to specific senior managers or other specific employees of the company. 
102-20	Executive-level responsibility for economic, environmental and social topics	Special responsibility for sustainability at the senior management level has not been defined at present. 
102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholder consultation has a long tradition at KWS. The suggestions and recommendations from dialogue with stakeholders are of great relevance to KWS' Executive Board. They help support the company's development and underpin its strategies and are implemented at the company through appropriate measures. In 2017, we held an International Stakeholder Dialogue on the subject of genome editing in the context of sustainable agriculture for the first time. It was attended by the entire Executive Board and the Chairman of the Supervisory Board. Our objective with the International Stakeholder Dialogue is to address issues and requirements related to globalized agriculture. 

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
		From 1990 to 2015, the Plant Breeding Advisory Board was an important external body advising KWS on all key social and agricultural issues. Experts from different subject areas, such as agriculture, agricultural economics, molecular biology, theology, philosophy and ethics, rotated as members of the advisory board and acted as a critical corrective and sounding board. They accompanied KWS in a voluntary and independent capacity and helped the company reach decisions, as well as shape and further develop new technologies.	
102-22	Composition of the highest governance body and its committees	The members of the corporate governance bodies can be found in the 2017/2018 Annual Report / Annual Financial Statements / Notes / Section 7 Other Notes (Boards of the Company). A breakdown of the composition of their members by diversity criteria can be found on our website: www.kws.de / Company / Investor Relations / 2017/2018 declaration on corporate governance . There is currently no breakdown of the composition of the bodies and committees.	■
102-23	Chair of the highest governance body	The Executive Board and Supervisory Board have strictly separate competencies and different members and thus act independently of each other. The composition of the corporate governance bodies can be found on our website: www.kws.de / Company / Investor Relations / 2017/2018 declaration on corporate governance .	■
102-24	Nominating and selecting the highest governance body	The process for selecting and nominating the members of the corporate governance bodies and the Supervisory Board's bodies and committees can be found on our website: www.kws.de / Company / Investor Relations / 2017/2018 declaration on corporate governance . An explanation of the composition of the bodies established by the Executive Board, such as the CMC, CFC, GC and IMC, can be found under GRI 102-18. Special expertise and experience in the field of sustainability is currently not defined as a criterion for selecting and nominating members for the corporate governance bodies and other bodies.	■
102-25	Conflicts of interest	The members of the Executive Board and Supervisory Board are obligated to safeguard the company's interests. KWS complies with the stipulations of the German Corporate Governance Code as regards avoiding conflicts of interest. The other seats held by members of the corporate governance bodies can be found in the 2017/2018 Annual Report / Annual Financial Statements / Notes / Section 7 Other Notes (Boards of the Company).	■
102-26	Role of highest governance body in setting purpose, values and strategy	The Executive Board defines the company's vision and mission, as well as the guidelines and principles of its corporate policy, and is responsible for ensuring compliance with them. Coordination in the CMC (see GRI 102-18) serves as the basis for decision-making. The main contents of the deliberations relate to prioritization of strategic initiatives and premises for planning and targets.	■

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
102-27	Collective knowledge of highest governance body	The CEO receives an internal report on key challenges, current developments and projects relating to the issue of sustainability once a year. In addition, the Chief Financial Officer receives an analysis of the current sustainability figures from a newly introduced internal process for preparing non-financial accounting. Consolidation of reporting and greater integration of it with the Risk and Compliance Report is being planned.	■
102-28	Evaluating the highest governance body's performance	No special evaluation of the sustainability performance off the Executive Board or Supervisory Board is currently conducted.	■
102-29	Identifying and managing economic, environmental and social impacts	<p>The impacts of the company and the resultant risks and opportunities are regularly analyzed and assessed as part of the central strategy planning process, which is held every two to three years. The resultant strategic initiatives form the framework for the company's development in the years to come.</p> <p>In addition, the potential risks and measures taken are identified and assessed every quarter using the central enterprise risk management system, with the involvement of the KWS Group's entire management, and are reported to the CMC (see GRI 102-18). The scope of data collected on risks was expanded in fiscal 2017/2018, with the result that KWS' operational impacts on the environment and society worldwide now have to be explicitly identified and assessed as well.</p> <p>The company's risk situation is reported to the Supervisory Board. The company's strategic orientation is coordinated with the Supervisory Board.</p>	■
102-30	Effectiveness of risk management processes	The effectiveness of the enterprise risk management system is confirmed by the auditor of the annual financial statements.	■
102-31	Review of economic, environmental and social topics	The CMC (see GRI 102-18) is informed about the current risk situation every quarter. The Supervisory Board receives an annual Risk Report.	■
102-32	Highest governance body's role in sustainability reporting	The Executive Board ratified the results of the last materiality analysis in 2014. The Executive Board and Supervisory Board are integrated in the process for coordinating and approving the Sustainability Report.	■
102-33	Communicating critical concerns	KWS has not established a special process for communicating critical concerns to the corporate governance bodies. The "open door principle" is practiced. Compliance-related issues can be reported to an external attorney, anonymously if desired, using the whistleblowing hotline.	■
102-34	Nature and total number of critical concerns	The total number of critical concerns addressed to the corporate governance bodies is not currently recorded in a systematic manner.	■

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
102-35	Remuneration policies	<p>All details on the remuneration policies for the corporate governance bodies can be found in the Annual Report / Combined Management Report Corporate Governance Report / Section 2.6.4 Compensation Report. The remuneration policies for senior management are not currently disclosed.</p> <p>The variable compensation of the corporate governance bodies and senior management is currently based on achievement of financial targets and not on achievement of ecological and social sustainability goals.</p>	■
102-36	Process for determining remuneration	<p>See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.4 Compensation Report</p> <p>External consultants are also occasionally involved in the process for determining remuneration.</p>	■
102-37	Stakeholders' involvement in remuneration	Where sensible, feedback from stakeholders is also included in the process for determining remuneration.	■
102-38	Annual total compensation ratio	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□
102-39	Percentage increase in annual total compensation ratio	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□
Stakeholder Engagement			
102-40	List of stakeholder groups	<p>The key stakeholder groups include not only our direct customers, i.e. farmers, our shareholders and employees, but also other players along the food value chain (sugar companies, food processors, retailers and end consumers), as well as policymakers, public authorities, non-governmental organizations, science, academia and the media. An overview of our stakeholders can be found on page 23 of the annex.</p> <p>An up-to-date list of the stakeholders with whom we were in dialogue in fiscal 2017/2018 is not available due to the large number of contacts.</p>	■
102-41	Collective bargaining agreements	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□
102-42	Identifying and selecting stakeholders	KWS has not defined a special process for identifying and selecting stakeholders.	■

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
102-43	Approach to stakeholder engagement	We conduct an open dialogue with stakeholders chosen to suit the topic, occasion or interest. That dialogue is conducted in very different ways, such as in direct discussions, dialogue formats and surveys and/or as part of cooperation.	■
102-44	Key topics and concerns raised	<p>A key topic in fiscal 2017/2018 in the EU was the new breeding methods, such as genome editing. The European Court of Justice classified the methods as genetic engineering in its ruling in July. That means it is now as good as impossible for products created using them to be put on the EU market. Nevertheless, we will continue using these methods in the U.S. and South America so as to leverage the opportunities for more ecological sustainability we believe they offer. More details on this subject can be found in the 2017/2018 Annual Report / Combined Management Report / Section 2.2 Research and Development Report.</p> <p>The issue of a decline in insect populations, which many believe is due to certain pesticides, escalated further in the EU in fiscal 2017/2018. The European Court of Justice banned three neonicotinoids from outdoor use in May 2018. However, the criticized insecticides, which KWS uses to dress seed, are not made by KWS itself, but purchased from their producers. KWS has worked for years on developing alternatives to chemical dressing agents, such as biologicals. More details on this subject can be found in the 2017/2018 Annual Report / Combined Management Report / Environmental Report / Section 2.4.1 Product Innovations.</p> <p>A key issue for our employees worldwide was also ensuring that the reorganization process as part of the “GLOBE” project is as socially responsible as possible. An accommodation of interests and social plan were agreed with the employee representatives in fiscal 2017/2018. In addition, management held roadshows in the affected regions and companies on the background to, objectives of and processes in the transformation. Internal communication was also intensified. More details on this subject can be found in the 2017/2018 Annual Report / Combined Management Report / Employee and Social Report / Section 2.5.3 Good Working Conditions.</p>	■
Reporting Practice			
102-45	Entities included in the consolidated financial statements	The sustainability reporting relates to the KWS Group, i.e. KWS SAAT SE and its subsidiaries. The principle of majority influence or operational control applies. Consequently, the joint ventures and participating interests are not included in the Sustainability Report.	■

Required disclosures (Abbreviations, original English version)	Comments by KWS	Completeness of reporting (own assessment)	
	A list of the consolidated companies can be found in the 2017/2018 Annual Report: Annual Financial Statements / Notes / Section 2 Disclosures on the Consolidated Financial Statements (Fully consolidated Subsidiaries).		
102-46	Defining report content and topic Boundaries	In order to determine the key topics of the report and the GRI indicators, a materiality analysis was conducted in early 2014, with internal and external stakeholders being included in this process. The main criteria for prioritizing the topics included the actual and potential impacts of individual sustainability issues, the associated possible risks and opportunities for KWS, the likelihood of impacts occurring and their extent, financial and non-financial consequences, and the degree to which stakeholders were affected and their demands for transparency.	■
102-47	List of material topics	The topics identified in the materiality analysis were consolidated further for this year's report. The following topics were identified as being material for the Sustainability Report: Economic success, product innovations, plant and process safety, development of young talents and qualification, good working conditions, and business ethics and compliance. The key topics identified can be found on page 24 of the annex.	■
102-48	Restatements of information	No disclosures from the last Sustainability Report had to be revised.	■
102-49	Changes in reporting	For the first time, the Sustainability Report relates to the entire KWS Group, i.e. KWS SAAT SE and its subsidiaries. The topics for the report were consolidated further for this year's report.	■
102-50	Reporting period	July 1, 2017, to June 30, 2018	■
102-51	Date of most recent report	Published on October 24, 2018	■
102-52	Reporting cycle	Annually	■
102-53	Contact point for questions regarding the report	See "Publication data"	■
102-54	Claims of reporting in accordance with the GRI Standards	We were guided by the GRI standards in preparing the 2017/2018 Sustainability Report. Compliance with the GRI standards is not possible this year due to the fact that some quantitative information under the standard disclosures is not reported for the KWS Group. We aim to ensure that the report in fiscal 2019/2020 complies with the GRI standards ("in accordance with") as defined by the "Core" option.	■
102-55	GRI-content index	Presented here	■
102-56	External assurance	The economic figures were audited by Ernst & Young, the auditors of the annual financial statements. The parts of the Sustainability Report subject to statutory non-financial reporting under the German Commercial Code (HGB) (Non-Financial Declaration) were likewise audited by Ernst & Young.	■

Topic-specific Disclosures (by materiality)

The topic-specific disclosures required by the GRI are based on materiality. The following lists all the topic-specific GRI standards in the categories Economic, Environmental and Society. Responses were provided for the standards of relevance to KWS as identified by the materiality analysis.

GRI 200: Economic

■ = Completely reported ■ = Partly reported □ = Not reported ☑ = No reporting necessary

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 201: Economic Performance			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Fundamentals of the KWS Group / Section 2.1.3 Objectives and strategies	■
201-1	Direct economic value generated and distributed	A value added statement on the financial value generated and distributed can be found on page 25 of the annex.	■
201-2	Financial implications and other risks and opportunities due to climate change	See the 2017/2018 Annual Report: Combined Management Report / Section 2.7 Opportunity and Risk Report. A figure was put on the financial impacts of climate change for the processes affected at KWS as part of our enterprise risk management system. No significant financial impact was identified. The financial impacts are not published for reasons of confidentiality.	■
201-3	Defined benefit plan obligations and other retirement plans	See the 2017/2018 Annual Report: Annual Financial Statements / Notes / Section 4 Notes to the Balance Sheet (14. Noncurrent liabilities)	■
201-4	Financial assistance received from government		□
GRI 202: Market Presence			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
202-2	Proportion of senior management hired from the local community	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
GRI 203: Indirect Economic Impacts			
103	Management approach	There is currently no specific management approach for this aspect.	■
203-1	Infrastructure investments and services supported	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.4 Social Commitment (capacity development programs in Peru and Ethiopia)	■

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
203-2	Significant indirect economic impacts	Our business model is the development of seed that delivers the best-possible yield. We strive to deliver annual breeding progress of one to two percent more yield for farmers. To enable that, we pursue various breeding objectives, for example to increase plants' resistance or to improve their nutrient efficiency or agronomic properties. Farmers benefit from KWS' new, high-performance varieties, since they not only optimize or stabilize their yields, but can also save resources.	■
GRI 204: Procurement Practices			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
204-1	Proportion of spending on local suppliers	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
GRI 205: Anti-corruption			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.2 Business ethics and compliance	■
205-1	Operations assessed for risks related to corruption	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.2 Business ethics and compliance	■
205-2	Communication and training about anti-corruption policies and procedures	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□
205-3	Confirmed incidents of corruption and actions taken	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.2 Business ethics and compliance	■
GRI 206: Anti-competitive Behavior			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.2 Business ethics and compliance	■
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□

GRI 300: Environmental

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Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 301: Materials			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
301-1	Materials used by weight or volume	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
301-2	Recycled input materials used	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
301-3	Reclaimed products and their packaging materials	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
GRI 302: Energy			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
302-1	Energy consumption within the organization	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
302-2	Energy consumption outside of the organization	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
302-3	Energy intensity	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
302-4	Reduction of energy consumption	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
302-5	Reductions in energy requirements of products and services	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
GRI 303: Water			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
303-1	Water withdrawal by source	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
303-2	Water sources significantly affected by withdrawal of water	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
303-3	Water recycled and reused	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
GRI 304: Biodiversity			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
304-1	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑
304-2	Significant impacts of activities, products and services on biodiversity	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	☑

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
304-3	Habitats protected or restored	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
GRI 305: Emissions			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-1	Direct (Scope 1) GHG emissions	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-2	Energy indirect (Scope 2) GHG emissions	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-3	Other indirect (Scope 3) GHG emissions	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-4	GHG emissions intensity	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-5	Reduction of GHG emissions	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-6	Emissions of ozone-depleting substances (ODS)	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
GRI 306: Effluents and Waste			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
306-1	Water discharge by quality and destination	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
306-2	Waste by type and disposal method	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
306-3	Significant spills	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
306-4	Transport of hazardous waste	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
306-5	Water bodies affected by water discharges and/or runoff	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 307: Environmental Compliance			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Environmental Report / Section 2.4.2 Plant and Process Safety	<input checked="" type="checkbox"/>
307-1	Non-compliance with environmental laws and regulations	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	<input type="checkbox"/>
GRI 308: Supplier Environmental Assessment			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Corporate Governance Report / Section 2.6.2 Business ethics and compliance	<input checked="" type="checkbox"/>
308-1	New suppliers that were screened using environmental criteria		<input type="checkbox"/>
308-2	Negative environmental impacts in the supply chain and actions taken	Environmental Management at Einbeck conducts an annual analysis of the environmental aspects. Potential and actual environmental impacts arise from the use of fertilizers and pesticides during multiplication and processing of seed and from the emission of greenhouse gases in the logistics processes. However, the environmental impacts have been classified as not being significant.	<input checked="" type="checkbox"/>

GRI 400: Social

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Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 401: Employment			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.2 Development of young talents and qualification	■
401-1	New employee hires and employee turnover	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	A breakdown of the important social benefits for our employees at main locations can be found in the table on page 26 of the annex.	■
401-3	Parental leave		□
GRI 402: Labor/Management Relations			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.3 Good working conditions / Employee representative bodies	□
402-1	Minimum notice periods regarding operational changes	KWS does not have a group-wide notice period for informing employees about significant operational changes. In general, management fosters close and trusted dialogue with the employee representatives and transparent internal communication. That has also been practiced during the current reorganization of administration as part of the "GLOBE" project.	■
GRI 403: Occupational Health and Safety			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.3 Good working conditions / Work safety and health	■
403-1	Workers representation in formal joint management-worker health and safety committees		□
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	□

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
403-3	Workers with high incidence or high risk of diseases related to their occupation		<input type="checkbox"/>
	Health and safety topics covered in formal agreements with trade unions		<input type="checkbox"/>
GRI 404: Training and Education			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.2 Recruitment and Qualification	<input checked="" type="checkbox"/>
404-1	Average hours of training per year per employee		<input type="checkbox"/>
404-2	Programs for upgrading employee skills and transition assistance programs	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.2 Recruitment and Qualification	<input checked="" type="checkbox"/>
404-3	Percentage of employees receiving regular performance and career development reviews	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	<input type="checkbox"/>
GRI 405: Diversity and Equal Opportunity			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.3 Good working conditions	<input checked="" type="checkbox"/>
405-1	Diversity of governance bodies and employees	See www.kws.de / Company / Investor Relations / 2017/2018 declaration on corporate governance Some quantitative disclosures (here: workforce diversity) are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	<input checked="" type="checkbox"/>
405-2	Ratio of basic salary and remuneration of women to men	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	<input type="checkbox"/>
GRI 406: Non-discrimination			
103	Management approach	See the 2017/2018 Annual Report: Combined Management Report / Employee and Social Report / Section 2.5.3 Good working conditions	<input checked="" type="checkbox"/>
406-1	Incidents of discrimination and corrective actions taken		<input type="checkbox"/>

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 407: Freedom of Association and Collective Bargaining			
103	Management approach		<input type="checkbox"/>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		<input type="checkbox"/>
GRI 408: Child Labor			
103	Management approach		<input type="checkbox"/>
408-1	Operations and suppliers at significant risk for incidents of child labor		<input type="checkbox"/>
GRI 409: Forced or Compulsory Labor			
103	Management approach		<input type="checkbox"/>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		<input type="checkbox"/>
GRI 410: Security Practices			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
410-1	Security personnel trained in human rights policies or procedures	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
GRI 411: Rights of Indigenous Peoples			
103	Management approach	It is vital for us to protect intellectual property so as to refinance our high research and development expenditure. We regard variety protection and patenting as two adequate tools. In social terms, there should be fair and unhindered access to plant genetic resources and sharing of benefits between those who give and take them. In this context, KWS implements without restriction the Nagoya Protocol (Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization), which was adopted at the Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity in 2010. We are also committed to expanding and strengthening the tried-and-proven International Treaty on Plant Genetic Resources for Food and Agriculture, since it is an efficient, yet pragmatic instrument for addressing the use of plant genetic resources. KWS has its own Intellectual Property department for supervising its proprietary rights and those of third parties so as to prevent them being infringed.	<input type="checkbox"/>
411-1	Incidents of violations involving rights of indigenous peoples		<input type="checkbox"/>

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 412: Human Rights Assessment			
103	Management approach		<input type="checkbox"/>
412-1	Operations that have been subject to human rights reviews or impact assessments		<input type="checkbox"/>
412-2	Employee training on human rights policies or procedures		<input type="checkbox"/>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		<input type="checkbox"/>
GRI 413: Local Communities			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
413-1	Operations with local community engagement, impact assessments, and development programs	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
413-2	Operations with significant actual and potential negative impacts on local communities	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
GRI 414: Supplier Social Assessment			
103	Management approach		<input type="checkbox"/>
414-1	New suppliers that were screened using social criteria		<input type="checkbox"/>
414-2	Negative social impacts in the supply chain and actions taken		<input type="checkbox"/>
GRI 415: Public Policy			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
415-1	Political contributions	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
GRI 416: Customer Health Safety			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
416-1	Assessment of the health and safety impacts of product and service categories	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>

Required disclosures (Abbreviations, original English version)		Comments by KWS	Completeness of reporting (own assessment)
GRI 417: Marketing and Labeling			
103	Management approach	The packaging for our seed is labeled in compliance with prevailing national regulations.	<input type="checkbox"/>
417-1	Requirements for product and service information and labeling	Dressed seed and genetically modified seed must be labeled. The European Seed Association (ESA) has developed warning pictograms for dressed seed that are used on most packaging.	<input type="checkbox"/>
417-2	Incidents of non-compliance concerning product and service information and labeling		<input type="checkbox"/>
417-3	Incidents of non-compliance concerning marketing communications		<input type="checkbox"/>
GRI 418: Customer Privacy			
103	Management approach	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	The topic has been identified as not being material at present (see GRI 102-47 – List of material topics)	<input checked="" type="checkbox"/>
GRI 419: Socioeconomic Compliance			
103	Management approach		<input type="checkbox"/>
419-1	Non-compliance with laws and regulations in the social and economic area	These quantitative details are not currently available for the KWS Group. An appropriate accounting system was introduced in fiscal 2016/2017. The quality of the data is currently being optimized for external reporting.	<input type="checkbox"/>

Attachment

GRI 102-13: Main memberships

The table below presents the main bodies in which KWS was a member in fiscal 2017/2018.

Name	KWS represented in governance bodies	Participation in other bodies	Project work	Substantial funding of the organization
Germany				
Bioeconomy Council		■		
German Plant Breeders Association (BDP)	■	■	■	■
German Agricultural Society (DLG)		■		
German Corn Committee (DMK)	■	■		
Einbeck Marketing	■	■	■	■
Forum Moderne Landwirtschaft e.V. (Modern Agriculture Forum)		■	■	■
German Association for the Promotion of Plant Innovations (GFPI)	■	■	■	
Climate Protection Companies. Climate Protection and Energy Efficiency Group of the German Business Community	■			
Max Planck Institute for Plant Breeding Research	■	■		
Plant Technology of the Future (Plant 2030)			■	
SFG Sortenförderungsgesellschaft mbH		■		
Donors' Association for the Promotion of Sciences and the Humanities in Germany		■	■	
Southern Lower Saxony Foundation				■
Union for the Promotion of Oil and Protein Plants (UFOP)		■		
Europe				
British Society of Plant Breeders (BSPB)		■		
EuropaBio	■	■	■	
European Seed Association (ESA)	■	■	■	■
European Technology Platform "Plants for the Future"	■			
Union Française des Semenciers (UFS)	■			
International				
I.I.R.B. International Institute for Beet Research		■		
International Maize Genetics Community		■		
International Seed Federation (ISF)	■	■		
German Committee on Eastern European Economic Relations / German-African Business Association (Agriculture Working Group)	■	■		

GRI 102-21: Stakeholders of KWS

KWS stands right at the beginning of the food value chain with its product, seed. The key stakeholder groups therefore include not only our direct customers, i.e. farmers, our shareholders and employees, but also other players throughout the food value chain (sugar companies, food processors, retailers and end consumers), as well as policymakers, public authorities, non-governmental organizations, science, academia and the media.

Food value chain and stakeholders of KWS



Relevant initiatives



GRI 102-46: Materiality analysis

The table below presents the report aspects identified in the 2014 materiality analysis. They have been consolidated further for the 2017/2018 Sustainability Report.

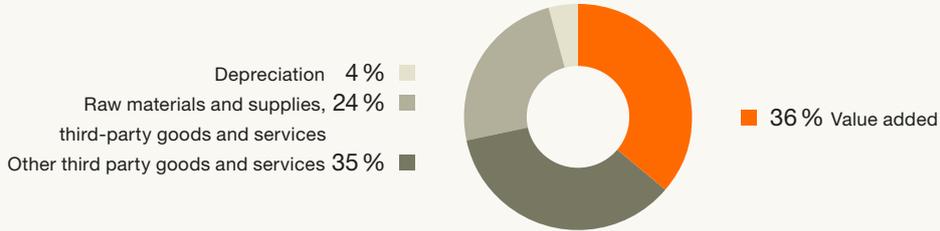
Category	Main report aspects identified in the 2014 materiality analysis	Consolidated topics for the 2017/2018 Sustainability Report
Economic	<ul style="list-style-type: none"> ■ Economic success ■ Protection of intellectual property 	<ul style="list-style-type: none"> ■ Economic success ■ Protection of intellectual property
Environmental	<ul style="list-style-type: none"> ■ Loss of land that can be used for agriculture ■ Customer orientation ■ Product innovations ■ Yield optimization ■ Biotechnology / modern breeding methods ■ Green genetic engineering ■ Marketing and consulting ■ Product quality ■ Product safety ■ Product labeling ■ Plant and process safety 	<ul style="list-style-type: none"> ■ Product innovations ■ Plant and process safety
Social	<ul style="list-style-type: none"> ■ Labor/management relations ■ Occupational safety ■ Training and education ■ Company health promotion ■ Equal opportunity / anti-discrimination ■ Equal Pay ■ Securing junior staff ■ Diversity ■ Work-life balance 	<ul style="list-style-type: none"> ■ Development of young talents and qualification ■ Good working conditions
Governance	<ul style="list-style-type: none"> ■ Compliance ■ Anti-corruption ■ Human rights / labor, social and environmental standards in the KWS Group ■ Economic, environmental and social standards in the supply chain ■ Stakeholder dialogue / lobbying 	<ul style="list-style-type: none"> ■ Business ethics and compliance

GRI 301-2: Value added statement

The following value added statement is based on the regulations defined in IFRS 11.

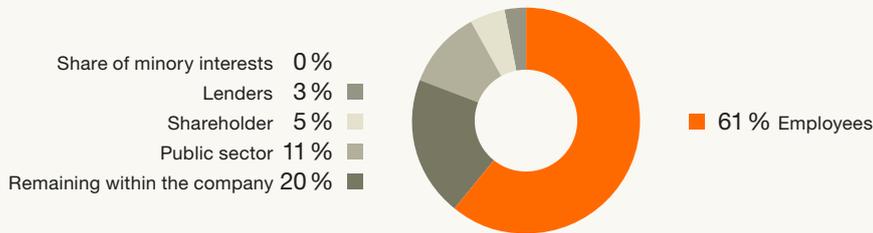
Output of the KWS Group in fiscal 2017/2018

Output 1.151 Mio. €

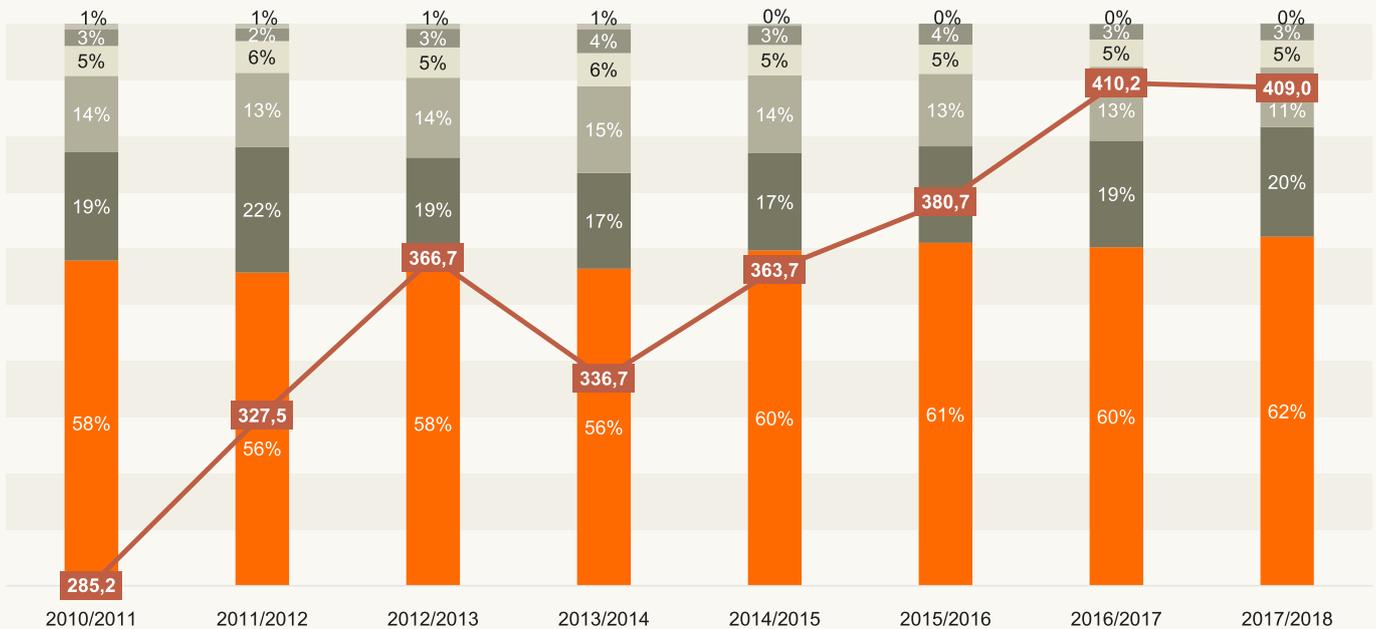


Distribution of value added in fiscal 2017/2018

Value added 409 Mio. €



Changes in value added and its distribution



■ Employees
 ■ Remaining within the company
 ■ Public sector
 ■ Shareholder
 ■ Lenders
 ■ Share of minority interests
■ Output (Mio. €)

GRI 401-2: Social benefits for employees

The table below presents the important social benefits for our employees at our main locations. The locations are the largest companies in the specified region in terms of headcount.

B = legally prescribed benefit for all employees

F = voluntary benefit for full-time employees

P = voluntary benefit for part-time employees

T = voluntary benefit for temporary employees

Benefits / region or KWS company	Germany: KWS SAAT				Western Europe: KWS Italia				Eastern Europe: KWS Ukraine				North America: Betaseed INC				South America: Riber KWS				Others: KWS RUS			
	B	F	P	T	B	F	P	T	B	F	P	T	B	F	P	T	B	F	P	T	B	F	P	T
Life insurance		■	■	■	■	■	■	■		■				■			■	■	■	■	■	■	■	■
Healthcare	■				■	■	■	■	■	■			■	■				■			■	■	■	■
Handicap / invalidity allowance		■	■	■	■	■	■	■	■	■				■							■	■	■	■
Parental leave	■				■	■	■	■	■				■ ¹	■ ¹	■ ¹		■	■	■	■				
Pension	■	■	■	■	■	■	■	■	■					■	■						■			
Shares in the company		■	■	■		■	■																	
Other		■ ²	■ ²	■ ²		■ ³	■ ³										■ ⁴	■ ⁴	■ ⁴	■ ⁴	■ ⁵	■ ⁵	■ ⁵	■ ⁵

¹ Through the Family and Medical Leave Act (FMLA), if the employee is eligible

² Such as capital-forming payments, cafeteria allowance

³ Such as food vouchers, telephone SIM card and a company car that may also be used for private purposes

⁴ Such as trips / transport, food vouchers and dental services

⁵ Such as special payments in the event of birth of a child / bereavement

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KWS SAAT SE
Grimsehlstraße 31
P.O. Box 1463
37555 Einbeck/Germany

Contact

Investor Relations:
Wolf-Gebhard von der Wense
investor.relations@kws.com
Phone: + 49 5561 311-968

Press:
Thilo Resenhoelt
thilo.resenhoelt@kws.com
Phone: + 49 5561 311-1616

Corporate Sustainability:
Wolf-Gebhard von der Wense (interim)
sustainability@kws.com
Phone: + 49 5561 311-968

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at www.kws.de/ir.

KWS SAAT SE

Grimsehlstr. 31

P.O. Box 1463

37555 Einbeck/Germany

www.kws.com