

The background of the entire page is a photograph of purple flowers, possibly rapeseed, in bloom. The flowers are silhouetted against a bright, warm sunset sky with a gradient from orange to pink. The sun is visible on the right side, creating a lens flare effect.

# Sustainability Report 2020|2021

**SEEDING  
THE FUTURE**  
SINCE 1856



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Hagen Duenbostel, CEO of the KWS Group

## Foreword

102-14

*Dear readers,*

All of us can see how climate change is impacting our environment to a greater and greater extent. Not only in distant countries, but also – especially in the past year – right on our own doorstep. The agricultural industry is significantly influenced by climate change and has a particular duty to step up to the plate and help curb it. The challenges are diverse: climate-friendly cultivation must be strengthened, natural resources conserved and bio-diversity preserved. At the same time, we need to ensure

that the world's growing population has enough food. Innovation in plant breeding is key to achieving that.

KWS plays a major role in that regard by supplying high-quality seed for sustainable agriculture. We have tackled that mission since we were founded 165 years ago and, thanks to steady progress in research & development, have given our farmers forward-looking solutions – in the shape of new varieties and





technologies that reduce the use of pesticides and fertilizer, yet increase yields. One recent example is the approval of a new generation of high-performance KWS sugarbeet varieties that have high tolerance to Cercospora, meaning far less pesticide needs to be used.

However, our strategy is more than simply to develop innovative products – it's also about establishing internal processes that put sustainability at the heart of our activities. The KWS Sustainability Ambition 2030 is a future-oriented framework that takes into account the necessary process of change in all its aspects – economic, ecological and social. It is a concrete road-map that clearly formulates our goals for the coming years. We have also conducted an extensive reassessment of business-related, non-financial issues and further expanded active management and reporting of emissions, water usage and responsible sourcing, for example. We have measured greenhouse gas emissions for the past fiscal year at all KWS locations, had them audited independently and have presented the results with complete transparency in this Sustainability Report and in our Annual Report. We are working to expand our supply chain management to include diverse non-financial issues so as to further reduce the environmental, ecological and social impacts of the agricultural value

chain. We have identified and defined a wide range of different levers to drive sustainability uncompromisingly at all levels.

The COVID-19 pandemic has thwarted the efforts to achieve sustainable development in many industries and areas of life. Nevertheless, we were able to accomplish further important steps last year that have helped us move closer to our goal of end-to-end sustainability in agriculture, namely by opening new breeding locations and expanding the highly promising Business Unit for vegetable seed. We will honor our responsibility and will continue to do all we can to play our part. The commitment and ideas of our employees are vital for that. I'd like to thank all KWS employees for their exceptional dedication and efforts, especially in the past year! I also thank you for your trust and support. Learn more about our successes, plans and objectives and about the KWS Sustainability Ambition 2030 by reading this Sustainability Report.

Dr. Hagen Duenbostel  
Chief Executive Officer



## Principles of our Sustainability Reporting

102-8, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52,  
102-53, 102-54

We have published Sustainability Reports regularly since 2008. Since fiscal 2017/2018, we have expanded our sustainability reporting to cover our global activities as well. We now publish a Sustainability Report for the KWS Group every year and strive to present as complete a picture as possible over all our locations, reflecting the current scope of consolidation (see the [2020/2021 Annual Report: List of shareholdings, pages 139 et seqq.](#)). Where key figures and information are not currently available at the global level or relate to a different scope of consolidation, we indicate that and make reference to the scope of consolidation covered by the report at the place in question. The changes in key figures over time are shown only if data recorded in previous years is comparable in terms of the scope of consolidation.

The period reviewed in the current report covers the fiscal year from July 1, 2020, to June 30, 2021. This report has been prepared in compliance with the GRI Standards as defined by the “Core” option. Restrictions are indicated in the form of comments in the GRI Content Index. The report supplements the Non-Financial Declaration, which complies with the requirements of the CSR Directive Implementation Act (CSR-RUG) and is included as part of the Combined Management Report in the KWS Group’s Annual Report (see the [2020/2021 Annual Report, pages 82 et seq.](#)).

The information in this report was recorded largely by electronic means by the departments and the expert team for sustainability. There may be rounding differences for percentages and numbers. Unless otherwise specified, the data on our employees includes seasonal workers and trainees but not externally employed personnel.

The sustainability issues of relevance to KWS and their boundaries were revised and reassessed in the reporting period. The results of the materiality analysis were examined for plausibility, and compliance of this year’s report with the GRI’s requirements was checked by our external sustainability reporting expert.

The Sustainability Report is available in German and English on KWS’ website. The previous year’s report was published on October 23, 2020.

### Contact

If you have any suggestions or questions about the report, please contact:

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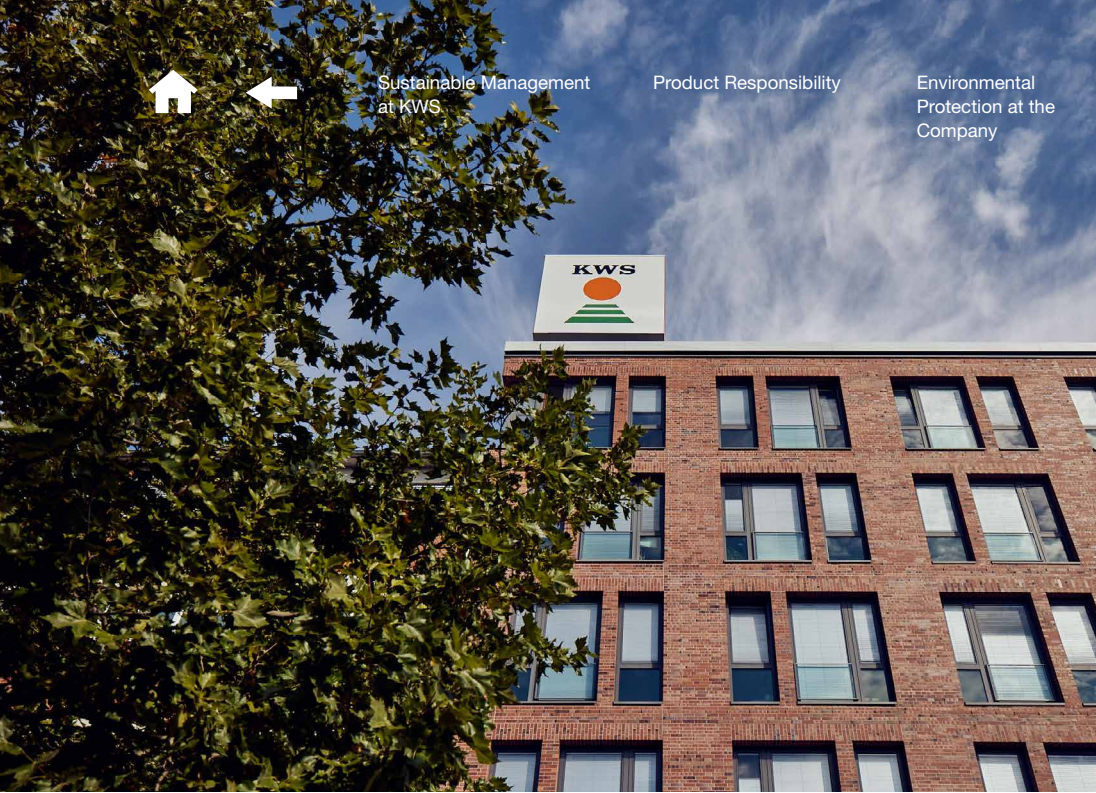
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KWS Headquarters in Einbeck

## KWS in Brief

### 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7

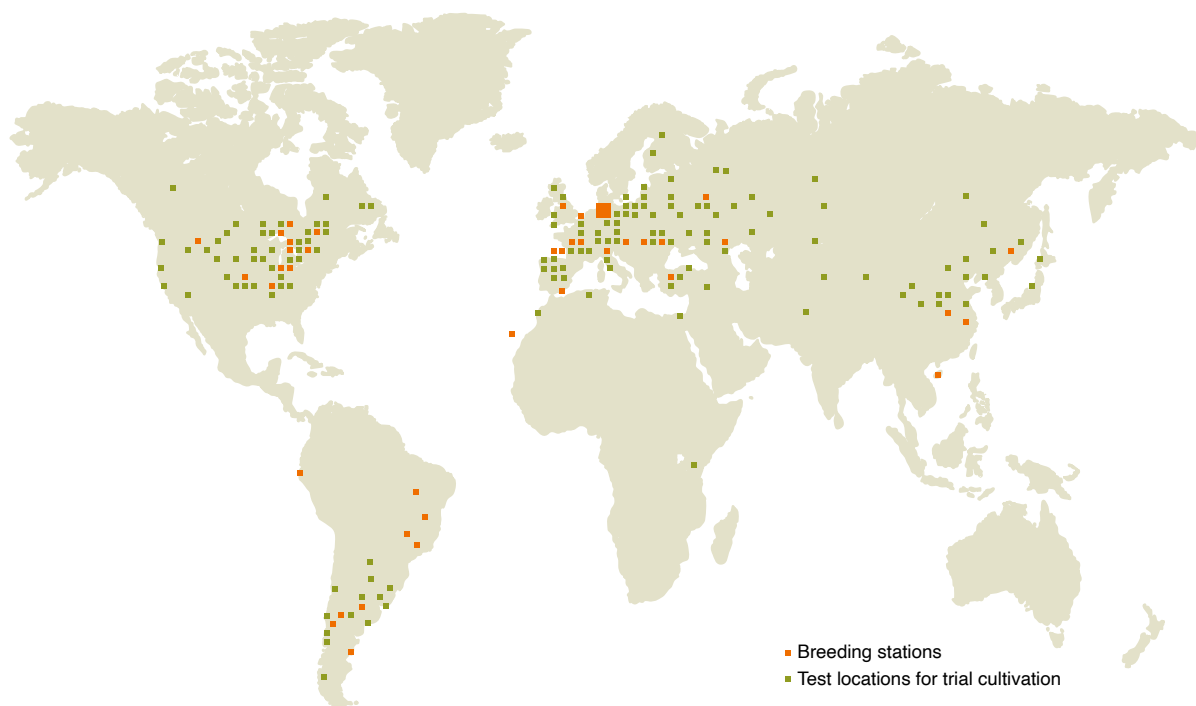
Since it was founded in 1856, KWS has specialized in breeding, producing and distributing high-quality seed for agriculture. From its beginnings in sugarbeet breeding, KWS has evolved into an innovative, international supplier with a broad portfolio of crops. The Company covers the complete value chain of a modern seed producer – from developing new varieties, multiplication and processing, to marketing of the seed and consulting for farmers. KWS' core competence is in breeding new, high-performance varieties that are adapted to regional needs, such as climatic and soil conditions. Targeted breeding of resistances against fungi or viruses, for example, also enables a significant reduction in the use of chemical pesticides in agriculture. Every new variety delivers added value for the farmer. KWS' business model is based on this added value – which is ultimately attributable to breeding progress, optimization of seed quality and pinpointed consulting.

KWS runs around 140 branches in more than 70 countries that perform activities ranging from administrative tasks, seed multiplication and processing, to shipment to customers. We offer our customers – farmers – a broad range of seed for agricultural crops that have been

adapted by breeding to the conditions of their specific location. With our breeding programs for 24 crops, including sugarbeet, corn, rapeseed and sunflower, the cereals rye, wheat and barley and various varieties of vegetable (such as spinach, carrots and tomatoes), as well as distribution of seed for catch crops and soybeans, we offer a broad portfolio of products for conventional and organic farming. In addition to selling seed, our field staff is also on hand to offer farmers consulting on choosing and cultivating varieties. We also offer consulting with our digital services and on our website.

KWS SAAT SE & Co. KGaA is the parent Company of the KWS Group. Strategic management of all of KWS' global activities is pooled under its roof. It is headquartered in Einbeck, Germany, and controls breeding of the KWS Group's range of varieties. It conducts basic research, produces and distributes sugarbeet and corn seed, and is home to a number of central functions. There are also currently 85 subsidiaries and associated companies in 34 countries ([www.kws.com/corp/en/company/kws-worldwide/](http://www.kws.com/corp/en/company/kws-worldwide/)). An overview of the most relevant sales regions can be found in the annex (see page 69). The companies in the KWS Group employed 6,000 people<sup>1</sup> in fiscal 2020/2021.

<sup>1</sup> Excluding trainees and interns

**Breeding and distribution activities of the KWS Group in over 70 countries**

201-1

**Economic value added generated by KWS**

KWS Group (in € millions)	2020/2021	2019/2020
EBIT	137.0	137.4
Equity	1,053.7	994.5
Net income for the year	110.6	95.2
Total assets	2,376.7	2,235.5
<b>Economic value generated (net sales)</b>	<b>1,310.2</b>	<b>1,282.6</b>
Operating expenses <sup>1</sup>	1,194.3	1,164.3
Expenses for wages and salaries	259.7	246.2
Social security contributions, expenses for pension plans and benefits	66.6	63.9
Payments to providers of capital <sup>2</sup>	34.7	38.7
Taxes and other payments to government	31.6	34.3
Expenditure on non-profit causes	0.6	0.8
Sponsorship	0.8	0.8
<b>Economic value distributed</b>	<b>1,588.3</b>	<b>1,549.0</b>

<sup>1</sup> Including the cost of sales, selling expenses, research & development expenses, and general and administrative expenses (Annual Report, Statement of Comprehensive Income p. 86)

<sup>2</sup> Including dividend payout, interest (Annual Report, Cash Flow Statement p. 90 et seq, interest paid including transaction costs for issuing bonds and raising (finance) loans; Annual Report, Cash Flow Statement p. 90 et seq, for dividend payout)





Sustainable Management  
at KWS

Product Responsibility

Environmental  
Protection at the  
Company

Social  
Aspects

Social Commitment



# Sustainable Management at KWS





## Sustainability Management – Strategy and Objectives

### Corporate vision, mission and principles

102-16

Oriented toward our distinctive brand values, we work toward one overarching goal: the vision. How we achieve this overarching goal is described in the mission:

#### Vision

Our high-performance seeds and our deep knowledge of agriculture have enabled us to be a trusted supplier for generations of farmers. This is our contribution to the growing global demand for food.

#### Mission

We improve genetic potential through outstanding research and breeding programs. We provide our farmers with the best-quality seeds. We act as a trusted partner to our farmers throughout their entire value chain. We provide entrepreneurial freedom to enable each and every one to display their full potential. This is how we create trust both internally and externally.

As a company with a tradition of family ownership, we think across generations. Apart from our vision, mission and corporate values, responsible business activity with regard to people and the environment is a firmly entrenched principle of how we run our company.

We also have a central policy framework (Group standards) with which we create a common understanding of the freedoms and decision-making processes within the KWS Group. The Group standards are continuously improved by means of constant monitoring and feedback. They complement our existing guiding principles, with the objective of preserving KWS' unmistakable profile, also against the backdrop of the Group's increasing internationalization, and of further strengthening responsibility for our employees, our environment and society.

### Sustainability as part of our corporate strategy

201/103

All our activities and decisions are to be economically viable, environmentally sustainable and socially responsible. In this regard, our focus is on optimizing our products and our internal processes.

Our internal strategic planning is the foundation for the KWS Group's further development. As part of it, we define strategic objectives, initiatives and core measures for existing activities and for potential new fields of business. Our regular planning, with its ten-year horizon, includes an analysis and assessment of market trends, competitors and the KWS Group's position. We believe that strategic success factors include, in particular, our intensive research, the breeding of new, sustainable varieties and the continuous expansion of our global footprint so that we can further enhance our know-how in regional markets with their special climatic conditions.

#### Corporate objectives of the KWS Group

Our corporate objectives are divided into the four core topics of profitable growth, innovation, independence and sustainability:

#### The KWS Group's medium- and long-term objectives

##### Main strategic subject areas

Profitable growth	<ul style="list-style-type: none"> <li>■ An average increase in consolidated net sales of at least 5% p.a.</li> <li>■ EBIT margin <math>\geq</math> 10%</li> <li>■ A dividend payout ratio of 20% to 25% of the KWS Group's net income for the year</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>■ R&amp;D intensity of at least 17% of consolidated net sales</li> </ul>
Independence	<ul style="list-style-type: none"> <li>■ Retention of a control structure shaped by the family owners</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>■ Implementation of KWS' Sustainability Ambition 2030</li> </ul>



## Sustainability Ambition 2030

**Profitable growth** is vital for our future development. Long-term profitable growth ensures we can retain our commercial independence. Key components are the good performance of our seed and a relationship of trust with farmers. We strive to increase net sales by an average of at least 5% p.a. and achieve an EBIT margin of at least 10%.

**Innovation** drives our business model. The need for innovative technology in plant breeding continues to increase. Climate change, significant population growth and changes in eating habits, where alternative protein sources are growing in importance, are challenges we need to address. In addition, digitization is playing a greater and greater role in agriculture. In the reporting period, we devoted around €250 million to research & development, and thus once again a significant share of our net sales. We are tackling these challenges with this spending and regard it as an investment in future growth.

**Independence** has always been a key corporate objective for KWS. It is part of the shared values held by our employees. Our independence and long-term orientation enable us, in particular, to invest in research and breeding projects with an eye to the future.

**Sustainability** in agriculture faces huge challenges globally. They include the world's growing population, increasingly severe consequences of climate change, and the preservation of biodiversity and natural resources. We believe that innovations in plant breeding play a key role in tackling these challenges.

Throughout our 165-year history, we have always regarded seed as the central starting point for improvements in agriculture. Proximity to farmers and continuous expansion of our research & development activities have helped us become established as a leading seed specialist. New varieties now help reduce the use of pesticides, fertilizer and other agriculture resources on fields, yet deliver higher and higher yields.

With our Sustainability Ambition 2030, we have now defined the framework for KWS' sustainable development – economically, ecologically and socially – in the coming years. Within this ambition, we have formulated concrete objectives for that which can be classified into two categories and six ambitions:

### Product impact

- Safeguard food production
- Minimize input required
- Enhance crop diversity
- Support sustainable diets

### Corporate responsibility

- Improve operational footprint
- Foster social engagement

While the first four ambitions describe the impact of our products and solutions, the last two inform the impact we want to make as a company and responsible member of society.





## Sustainability starts with the seed



### Safeguard food production

203/103, 203-2

Our objective is to achieve an average increase in yields of 1.5% a year (field crops). To accomplish that, we focus on delivering progress in plant breeding and developing digital solutions for agriculture.

#### Progress in plant breeding

Progress in plant breeding makes the most important contribution to securing food production against the backdrop of the world's growing population, climatic changes and limited resources. An annual increase in yield is therefore usually regarded as the key breeding objective for all crops. The goal of increasing and stabilizing yields is closely linked to other breeding objectives,

such as resistance traits or nutrient efficiency. Scientific studies estimate that at least 60% more food will have to be produced worldwide by 2050 in order to feed the whole human race adequately, while climatic conditions will change fundamentally. Current rates of increase are not sufficient to handle that demand and, at the same time, to preserve areas for natural habitats and wildlife and to counter the effects of climate change. In view of that, we have decided not only to retain our long-standing focus on continuously increasing yields, but also to monitor and analyze our own performance more closely than before. Based on the conclusions from that, we will introduce additional practical measures to support farmers in achieving the best-possible results with the available arable land.



## Digital solutions for agriculture

Digital solutions like the applications provided on myKWS help farmers make better cultivation decisions and thus optimize their yields. This ranges from choosing the right seed and variety to recommendations on cultivation management, such as the best seed rate, constantly monitoring crops for diseases, and predicting yields and the ideal time to harvest plants. Our extensive range of digital tools permits higher yields and the smarter use of resources such as pesticides. We believe that digital solutions are a key tool in achieving the best-possible results with KWS varieties. That is why we have set ourselves a clear goal: To enable digital

### Side note: SAT TS Monitoring – How digital solutions contribute to sustainable agriculture

SAT TS-Monitoring analyzes the maturity of corn in the field. An algorithm uses weather data, soil quality, variety information and the latest, high-definition satellite images to do that. Farmers are consequently provided with information on the dry matter content of their silage corn, as well as a forecast for the next six days. The results are available at all times in the tool on the myKWS platform. Farmers are also sent the latest dry matter content data by e-mail every week. That means they can keep an eye on their corn's maturity and define the ideal time to harvest it, and thus achieve the best-possible yield.

Through these and other digital solutions and the resulting increase in yields on existing agricultural land, we are helping to minimize the use of agro-chemicals, minimize the need for natural resources and preserve natural habitats.

solutions to be used over a cultivation area of more than 6 million hectares by 2030. We mainly aim to achieve that by offering KWS varieties along with personalized digital support. In this way, up to a quarter of the target of increasing yields by 1.5% a year might be achieved with digital solutions by 2030. Farmers in 30 countries already rely on the digital tools from the myKWS platform.

## Minimize input required

201/103, 201-1, 203/103, 203-2, 301/103

The European Green Deal and Farm to Fork Strategy define clear objectives for sustainable agriculture in Europe. One of them is to reduce the use of chemical pesticides by 50%. Means of accomplishing that include a revision of the directive on achieving the sustainable use of pesticides, improved regulations on integrated plant protection, and greater research and use of effective alternatives for protecting harvests against pests and diseases. The seed sector will also play a major role as a solution provider in this scenario in the future. New seed varieties can secure yields, yet reduce the use of pesticides, fertilizer and other resources.

We intend to achieve that objective by investing more than 30% of our annual R&D budget in reducing the use of resources and ensuring that more than 25% of KWS varieties are suitable for low-input farming.

The EU aims to act as a role model with its Green Deal. We at KWS do not apply these requirements solely to European objectives but to our global activities.

## Investment of more than 30% of the annual R&D budget in reducing the use of resources

A key factor in breeding innovative varieties is for them to be adapted to changing requirements. That includes changes in eating habits, new quality requirements and –





very particularly – changing environmental conditions. It takes up to twelve years to develop a new seed variety. Breeding objectives are therefore long term and geared to global challenges such as climate change and the needs of farmers and their land. KWS has always made substantial investments in developing improved seed varieties for agriculture. We spent around €252 million on R&D activities in fiscal 2020/2021, or 19.3% of our annual consolidated net revenue of the KWS Group.

Although we have always acted true to the motto of “achieving more with less,” we are now going one step further. We intend to spend more than 30% of our annual R&D budget specifically on reducing the use of resources (water, fertilizer and pesticides). To enable that, we are launching projects targeted at developing varieties that are more resistant to diseases or pathogens, have greater tolerance to climatic stress factors such as drought or water scarcity, and therefore require less pesticide and work by the farmer. All that is possible only by thinking and acting proactively – after all, breeding plants is not so much a sprint as a marathon. It is all the more important to anticipate future developments and adapt our research and breeding work to them early on and in good time.

### **More than 25% of KWS' varieties are suitable for low-input farming**

Growth and yield are determined by plants' genetic makeup and performance and by ecological factors such as light, water and nutrients in the soil. The extent to which plants can unfold their potential depends directly on the environmental conditions in the region they are grown. Varieties that are well adapted to their location deliver more stable yields. Low-input varieties can use the available resources very efficiently and have been tested specifically for performance under cultivation conditions where few resources are or can be used. We define low-input conditions as those where there is little application of fertilizer, limited water availability or reduced use of chemical pesticides. Only highly efficient varieties can flourish under such conditions. We want at least 25% of the varieties in our portfolio to be suitable for low-input farming.

For many years now, we have invested research capacities and funds in testing existing varieties from our portfolio in large-scale low-input trials. In that way, we can keep on expanding our product range and offering farmers reliable recommendations on the potential for saving resources.

#### **Side note: Long-term effort pays off**

Sugarbeet farmers face numerous challenges in combating pests and plant diseases. There are more stringent regulations on the use of pesticides, while those products that are still approved no longer offer sufficiently effective protection against pests. These two problems are increasing the pressure on plant breeding. What is required are solutions that keep plant cultivation competitive in the long term. Successful plant breeding is thus crucial for modern and sustainable agriculture. For example, KWS began breeding resistance in sugarbeet back in 1960. As a result of our work, in the last fiscal year we were able to launch a new generation of sugarbeet varieties that have greater tolerance to *Cercospora*, yet deliver stable yields – an urgently needed solution that means less pesticide has to be used (in this case fungicides), yet reduces the risk of crop failures.



### Enhance crop diversity

A high degree of diversity in agricultural crops is vital in order to feed the world's growing population in the long term and preserve the genetic heritage and biodiversity on our fields. The loss of crop diversity could jeopardize global food security, since we would have to get by with a smaller number of plant species and there would be fewer crop rotation options, which are indispensable for soil health.

KWS is already committed to fostering diversity and, with its breeding programs for 24 different crops, has one of the broadest portfolios in the global seed market. In order to preserve this diversity, we also invest in minor crops that are less well researched, such as peas and catch crops, in order to increase their attractiveness for farmers. We intend to expand our portfolio by 2030 in order to offer the agricultural sector further crop rotation options that are both economically and ecologically viable. KWS aims to provide additional crops so as to make a contribution to protecting and safeguarding diversity in farming. We will press ahead with expanding our vegetable portfolio in the coming years, for example. One other focus is on crops that can offer alternative or local sources of protein. And last but not least, we are examining the possibility of integrating breeding programs for crops that enable or complement sustainable cultivation systems and crop rotations.

Specifically, we aim to make crop rotation more flexible by increasing the number of our crops from 24 to 27 by 2030 under pinpointed breeding programs.

Expanding our portfolio means more for us than licensing additional varieties from external providers. Instead, we want to invest in creating breeding programs

for three new crops and in developing high-performance varieties that meet our customers' requirements. That includes resistance to biotic and abiotic stress factors and an improved nutrient profile that makes them more suitable for use as food or feed. Establishing a breeding program demands perseverance, funding and know-how. That is the only way to deliver competitive products that offer farmers genuine value added.

### Support sustainable diets

Our goal is for more than 40% of KWS' varieties to be able to be used directly in the food we eat.

More and more people are adopting a mainly plant-based diet. In order to satisfy growing demand, the food industry is turning to new plant-based products and is substituting meat, eggs or milk, for example, with vegetarian alternatives. At the same time, crops are increasingly used to produce food instead of fodder for animals. Plant breeding has a key role in developing varieties and crops that are suitable for a plant-based diet. We are responding to these trends by including new food and protein crops in our research programs and complementing our existing breeding programs with related activities (such as for peas and other types of vegetable).

In 2019, we included seed for various types of vegetable in our portfolio and are now more strongly aligned toward delivering a diverse source of nutrition and to satisfying growing demand for plant-based foods. We intend to achieve that by developing nutrient-rich varieties that, when harvested, can be used in food directly or with little processing (such as in the form of flour). At the same time, we continue to work on a diverse and efficient variety portfolio for animal feed (such as silage corn or fodder beet).





## Improve operational footprint

302/103, 305/103

We intend to attain this goal by reducing our Scope 1 and Scope 2 emissions by 50% by 2030 and get them to net zero by 2050. The introduction of scorecards to enable transparent documentation of the ecological footprint of all seed production sites will complement and support that objective.

### Reduction in CO<sub>2</sub>e emissions by 2030 and 2050

We are committed to using innovative processes, eco-friendly technologies and clearly defined internal standards to minimize the environmental impact of our locations and operational activities. In addition to the requirements demanded by law, KWS has recorded the consumption figures of all its branches in Germany since fiscal 2008/2009. Starting in fiscal 2017/2018, we have internationalized and continuously improved this documentation. KWS now has a global platform for monitoring greenhouse gas emissions and water consumption and records the relevant data worldwide. That allows us to identify hotspots at our research, breeding and production locations and instigate appropriate improvement measures. The focus in fiscal 2020/2021 was on analyzing greenhouse gas emissions from operational activities and water consumption, since they had been determined to be relevant environmental factors in the materiality analysis we conduct every two years.

For the coming years, KWS has set itself the ambitious target of cutting its greenhouse gas emissions by 50% by 2030. We aim to reduce these emissions to net zero by 2050. As a plant breeder, KWS consumes the highest amount of energy in production and research (for laboratory and production processes and operating greenhouses, for example). Important levers to reduce emissions here will include the use of resource-conserving technologies, more efficient use of existing plant and resources, and greater use of renewable energies in office buildings and breeding and production halls.

KWS has undertaken to reduce its Scope 1 and Scope 2 greenhouse gas emissions by 50% in absolute terms from 2021 levels by the year 2030, and also to measure and cut its Scope 3 emissions. The targets for reducing greenhouse gas emissions from operational activities (Scope 1 and 2) match the reductions required to meet the goal of limiting global warming to 1.5 degrees.

### Introduction of ecological scorecards for all seed production sites

302/103, 303/103, 304/103, 305/103

The continuous review of our processes and the responsible running of all locations are therefore tasks that we discharge with great seriousness. We are also aware that customers and regulators demand transparency on value chains and production processes and their impact on the environment.

In order to attain the goals we have set, we will supplement the existing internal guidelines and audits with special scorecards to assess the environmental performance of all of KWS' seed production sites. The scorecard system will record data for criteria such as biodiversity, water protection and emissions. All production sites, including the processing plants and internal seed multiplication areas, will be evaluated individually. That will allow us to examine our locations and processes to determine any potential for improvement and to clearly show the ecological footprint of our activities.

We can leverage the data we obtain from analyzing the scorecard system so that the impact of our innovations and process optimization measures is factored in more strongly. Not least, that will enable us to enhance transparency for our stakeholders.



## Foster social engagement

401/103, 403/103, 413/103

We intend to accomplish this ambition by investing in social projects worldwide, measuring and continuously enhancing employee loyalty, and constantly reducing the number of occupational accidents and illnesses.

### Financial support of social projects worldwide

KWS has committed to invest at least 1% of its annual EBIT in social projects worldwide. The funds are to go to donations and sponsorship projects.

Our social engagement focuses on developing the regions around our locations, which are mostly of a rural character, at the cultural, social and socioeconomic level in order to foster the general welfare of residents and increase the locations' attractiveness as a whole. Children and young people are particularly dear to our heart. A further focus is on promoting education and science, in particular in the field of natural and agricultural sciences. As part of our continuous engagement in Peru and Ethiopia since 2012, we support young researchers, in particular in conservation of plant genetic resources, plant breeding and development of sowing systems.

### Measurement and continuous improvement of employee loyalty

Employee engagement is expressed in their commitment and motivation (i.e., the amount of energy employees invest to help the Company succeed and achieve its objectives).

KWS will keep on recording its employee engagement index and work to improve it. A project that has recently been launched envisages a regular, global engagement survey that will help us ascertain our employees' expectations and improve our systems and offerings to reflect them.

The survey is to be held regularly so as to identify engagement drivers (i.e., factors with the greatest influence on employee engagement). The results are to be used as the basis for developing targeted improvement measures together with the individual units; these measures will be reviewed regularly, and their success will be able to be measured by the results of the survey from the next cycle. Employee engagement is not a one-off task for KWS, but a continuous process that is integrated throughout the Company and in which managers and employees alike are involved.

### Continuous reduction in the number of occupational accidents/illness rate

KWS does its utmost to keep on improving work conditions and employees' health and safety at the workplace. That includes accident prevention and living up to our responsibility for employees' mental health. We are currently working to roll out a uniform system worldwide so that we can lastingly minimize the accident frequency rate and number of work-related illnesses. That is why we are defining consistent global standards and conduct systematic management training on the subject of workplace health and safety.

#### Side note: Capacity Development Cooperation

As part of our social commitment, we engage in active development cooperation to support young researchers in the conservation of plant genetic resources, plant breeding and the establishment of breeding systems. While the focus in Peru is on corn and quinoa, our work in Ethiopia concentrates on barley and wheat (for further details see page 60). In this way, we also meet the requirements of the "International Treaty on Plant Genetic Resources for Food and Agriculture."



The central accident database we had already established provides us with a global overview of the scale and causes of occupational accidents. We will use the findings we obtain as the basis for further improving our processes and safety precautions.

### Sustainable Development Goals

102-12

KWS supports achievement of the Sustainable Development Goals (SDGs) under the UN's Agenda 2030 ([www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/)). KWS feels particularly committed to this and contributes to the following SDGs through its business activities: fighting hunger (2), promoting economic growth (8), efficiency in production (9), sustainable production (12), climate protection (13), protection of terrestrial ecosystems (15) and global partnerships (17). We will be guided by the SDGs in the future development of our Company and intend to continue integrating them in the Group.

### Responsibility for sustainability

102-18

Our Executive Board is the governance body at KWS that has uppermost responsibility for the company's sustainable development. Our Corporate Sustainability Manager is responsible for operational sustainability management and reports to the Chief Executive Officer. We have also established an interdisciplinary body that reports to the Executive Board and, with external assistance, evaluates our current and future sustainability goals and how to achieve them. The body is made up of representatives from Strategy, Marketing and Communication, Research & Development, and Sustainability Management.

#### KWS' focal issues from the 17 Sustainable Development Goals (SDGs)







## Material Sustainability Issues and Risks

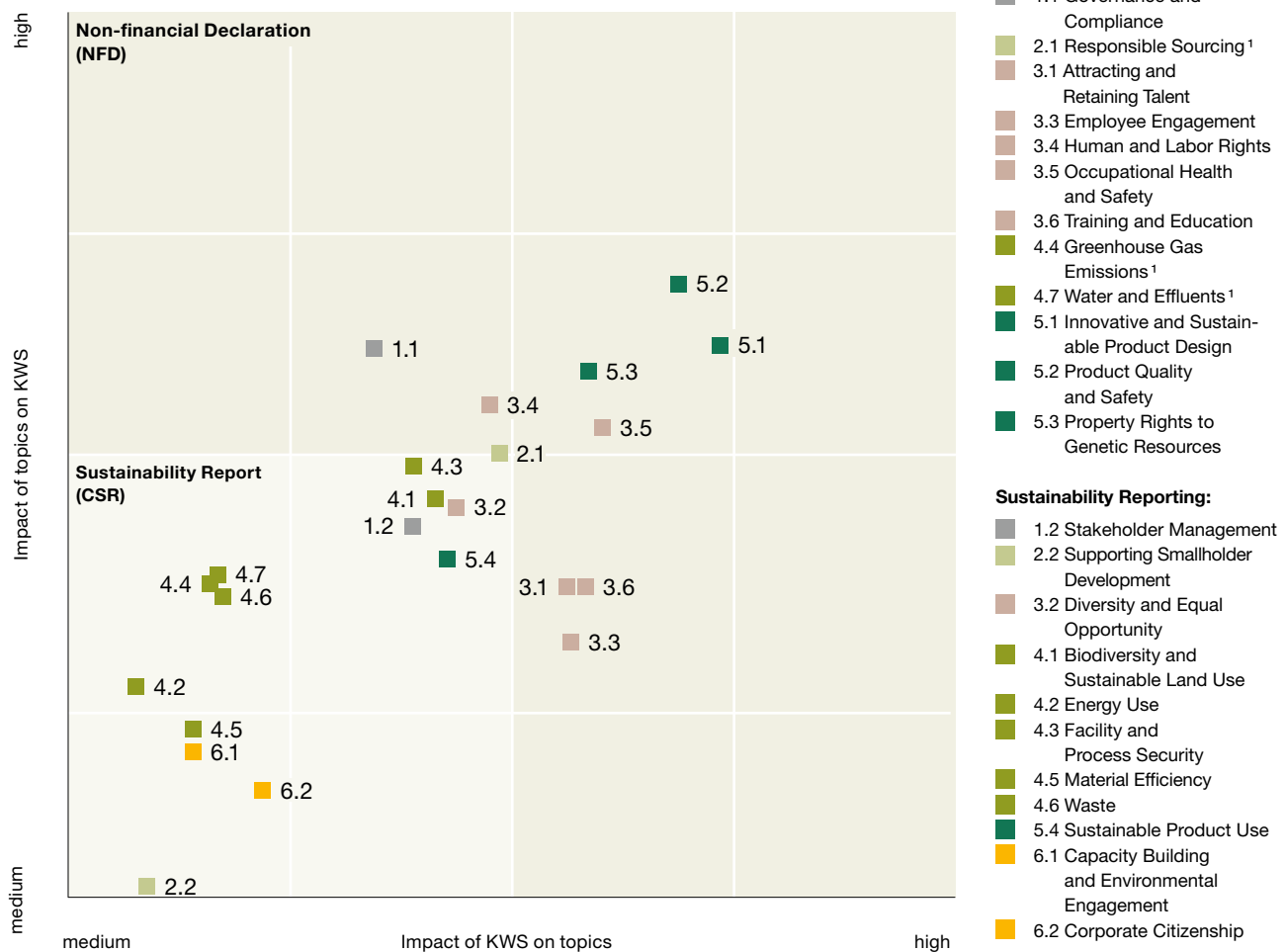
### Report standard and issues

102-43, 102-46, 102-47

We updated our strategic planning as usual in the 2020/2021 reporting period. Among other things, it was used as the basis for defining the sustainability goals explained in the previous section, including new quantitative targets. We also determine the material topics in this report by means of a regular materiality analysis integrating internal and external stakeholders. The last materiality analysis was conducted in the reporting period (see figure below).

In our reporting, we are guided by the issues that have been identified as material and by the Global Reporting Initiative (GRI). In the reporting period, we examined in particular the impacts of sustainability issues, the extent and likelihood of impacts occurring, the associated possible risks and opportunities for KWS, financial and non-financial consequences, and the degree to which stakeholders were affected and their demands for transparency. That revealed that the issues specified in the list below were of relevance. They are therefore discussed in this Sustainability Report.

### Materiality Analysis 2020/2021



<sup>1</sup> Management decision to include in non-financial reporting



In addition, the KWS Group has an obligation to report on non-financial issues in accordance with Sections 289b et seqq and Sections 315b et seqq of the German Commercial Code (HGB). The following issues were identified as material within the meaning of the statutory regulations: innovative and sustainable product development, product quality and safety, emissions, water, occupational health and safety, recruitment and employee loyalty, qualification, further training and

development, employee engagement, human and labor rights, business ethics and compliance, responsibility in the supply chain and the use of genetic resources. These issues are reported on separately in the Non-financial Declaration contained in the Annual Report (see pages 43 et seqq).

The materiality analysis is conducted every two years, i.e., the next one is scheduled for fiscal 2022/2023.

#### List of material issues for KWS in accordance with the GRI

GRI Index no.	GRI Standard
201	Economic Performance
203	Indirect Economic Impacts
204	Procurement Practices
205	Anti-corruption
206	Anti-competitive Behavior
301	Materials
302	Energy
303	Water and Effluents
304	Biodiversity
306	Effluents and Waste
307	Environmental Compliance
308	Supplier Environmental Assessment
401	Employment
403	Occupational Health and Safety
404	Training and Education
405	Diversity and Equal Opportunity
406	Non-discrimination
407	Freedom of Association and Collective Bargaining
408	Child Labor
409	Forced or Compulsory Labor
411	Rights of Indigenous Peoples
412	Human Rights Assessment
413	Local Communities
414	Supplier Social Assessment
415	Public Policy
416	Customer Health and Safety
417	Marketing and Labeling
419	Socioeconomic Compliance



## Stakeholder management

102-9, 102-40, 102-42, 102-43, 102-44

As a seed producer, KWS occupies a key position at the beginning of the food value chain. Apart from our customers' requirements, the requirements and interests of other players throughout this chain are of relevance for us, too.

The key stakeholder groups include not only our direct customers, i.e., farmers, but also our shareholders and employees, various stakeholders throughout the agricultural value chain (such as sugar companies, food processors, retailers and end consumers), as well as policy makers, public authorities, non-governmental organizations, science, academia and the media.

We maintain a constant dialogue with them in various ways, depending on the stakeholder group – as part of our daily business, in our extensive work for associations or through dialogue with stakeholders at the local and international level. As part of that, we respond to external inquiries, but also participate proactively in global discussions. KWS employees regularly take part as speakers or panel members at various events. For example, KWS works through industrial associations, such as Euroseeds and the International Seed Federation (ISF), to ensure practicable means of securing sustainable access to genetic resources and preserving them now and in the future.

## Dialogue with customers

102-43

We nurture contacts with our customers worldwide through our expert consultants. They offer advice on choosing varieties, crop rotation, tilling, the use of fertilizer and measures to protect plants tailored to the specific location. Depending on the region, this offering is complemented by regional field days, where our sales consultants discuss topical issues with customers and prospects, present new and tried-and-proven varieties in the field, and are on hand to answer questions and listen to suggestions in a relaxed atmosphere. The field days are held to reflect the crop's growth stage and the season when the individual performance of the varieties is best visible to farmers in the field. In Germany, KWS additionally attends the biennial German Agricultural Society's Field Days.

We also began staging our Agricultural Forums in Germany 13 years ago, since which time the number of locations where we hold them has grown to 35. These regional events offer farmers an attractive program with various experts on issues relating to plant growing, business management and animal husbandry, and a platform for extensive discussion. With our special Agricultural Forums for organic farming, we offer farmers an established platform for dialogue and for sharing our experience from our organic farm at Wiebrechtshausen.

102-9







Apart from these Agricultural Forums, we have also established the Orange Agricultural Circles in southern Germany, at which we – as at the Agricultural Forums – provide farmers with specialist information for the current vegetation period.

#### Side note: New concepts for customer dialogue

The coronavirus crisis again impacted the above formats negatively this fiscal year. We nevertheless sought to maintain contact with our customers and enabled dialogue with virtual events and drive-in field days, as well as through in-person events (with hygiene concepts and limited numbers of participants).

#### Dialogue with science, academia, associations and initiatives

102-12, 102-13, 102-43

Successful breeding work requires the latest scientific and technical findings. Partnerships with public and private research institutions are therefore highly important. The function of “Global Lead Scientific Affairs” enables direct scientific dialogue with universities, students and graduates as peers. The Global Lead Scientific Affairs is in constant contact with the Research & Development department. This function is an effective means of communicating our current requirements and hearing what interested graduates expect from KWS.

We are also represented in diverse organizations and associations from the fields of plant research and breeding, as well as in bioeconomics. As a result, we help promote science and research, preserve scientific excellence worldwide and enable interdisciplinary research alliances. Among other things, we

are a long-standing member of the GFPI, the German Association for the Promotion of Plant Innovations, and the International Institute for Beet Research (IIRB) and participate in the Committee for Field Phenotyping established by the IIRB. Together with scientists from various fields, this committee discusses possible future applications and research issues relating to the use of new field phenotyping technologies in plant breeding so as to use the results as the basis for new research strategies. In addition, KWS has for many years played an active part in the Bioeconomy Council, the independent advisory body to the German government, and – as a member of the “Climate Protection Companies,” an excellence initiative of the German business community in the field of climate protection and energy efficiency – has worked toward ensuring continuous, sustainable ecological development ([www.klimaschutz-unternehmen.de](http://www.klimaschutz-unternehmen.de)).

Because our headquarters are in Germany, much of our work in associations is in German-speaking countries. However, we are also represented at the international level, for example in the management body of the International Seed Federation (ISF) or as an active partner of Thought For Food (TFF), a worldwide non-profit innovation and cooperation platform for the future of global agriculture. We use our membership in the ISF and Euroseeds to represent the position of our industry, as was the case in relation to the International Treaty on Plant Genetic Resources for Food and Agriculture of the United Nations Food and Agriculture Organization (FAO). The goal of our industry here is to modernize the Standard Transfer Material Agreement, include further crops in the treaty’s annex, and change the opt-in procedure to a subscription model.

You can find an overview of all relevant memberships in the Sustainability Report’s annex (page 70).



## Corporate Governance & Compliance

### Controlling and management of the Company

102-12, 102-18

The responsible management of the KWS Group is the responsibility of our general partners' five-member Executive Board. Together with our Supervisory Board, its duty is to manage our Company and steer it toward achieving sustainable development. The Executive Board and the Supervisory Board have strictly separate competencies and different members and thus act independently of each other ([www.kws.com/corp/en/company/investor-relations/corporate-governance/](http://www.kws.com/corp/en/company/investor-relations/corporate-governance/)). The Executive Board's task area is divided into divisions. The distribution-of-business plan below shows the separate areas of responsibility and who acts as deputy if an Executive Board member is temporarily incapacitated.

KWS SAAT SE & Co. KGaA, the KWS Group's parent Company, is a partnership limited by shares (KGaA). The legal form of a partnership limited by shares enables the KWS Group to leverage future growth opportunities with greater agility and flexibility and raise the equity required for that without losing our Company's character as a listed family business.

The majority shareholders in KWS SE, the Company's general partner, are the associated companies of the Carl-Ernst Büchting and Arend Oetker families. It assumes a number of rights and obligations that lie with the Supervisory Board at a stock corporation or European Company (Societas Europaea or SE). That means, in particular, that the Supervisory Board at a partnership limited by shares does not have personnel-related powers as regards management, i.e., does not have the authority to appoint personally liable partners and define the contractual terms and conditions for them, enact bylaws for the Executive Board or define business transactions requiring its consent.

KWS largely complies with the requirements of the German Corporate Governance Code. You can obtain the Declaration of Compliance in Accordance with Section 161 of the German Stock Corporation Act (AktG) and the reasons for the deviations at [www.kws.com/corp/en/company/investor-relations/declaration-of-compliance.html](http://www.kws.com/corp/en/company/investor-relations/declaration-of-compliance.html).

Hagen Duenbostel, CEO (Eva Kienle) <sup>1</sup>	Léon Broers (Peter Hofmann) <sup>1</sup>	Felix Büchting (Peter Hofmann) <sup>1</sup>	Peter Hofmann (Hagen Duenbostel) <sup>1</sup>	Eva Kienle, CFO (Hagen Duenbostel) <sup>1</sup>
<ul style="list-style-type: none"> <li>■ Corn China</li> <li>■ Corn North &amp; South America</li> <li>■ Group Strategy</li> <li>■ Group Compliance Office</li> <li>■ Group Governance &amp; Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>■ Research</li> <li>■ Breeding</li> <li>■ Vegetables</li> </ul>	<ul style="list-style-type: none"> <li>■ Cereals</li> <li>■ Oilseed Rape/ Special Crops &amp; Organic Seeds</li> <li>■ Global Human Resources</li> <li>■ Farming</li> </ul>	<ul style="list-style-type: none"> <li>■ Sugarbeet</li> <li>■ Corn Europe</li> <li>■ Global Marketing &amp; Communications</li> </ul>	<ul style="list-style-type: none"> <li>■ Global Finance &amp; Procurement</li> <li>■ Global Controlling</li> <li>■ Global Information Technology</li> <li>■ Global Legal Services &amp; IP</li> <li>■ Global Transaction Center</li> <li>■ Digital Innovation Accelerator</li> </ul>

<sup>1</sup> Deputy



## Diversity of the Executive Board and the Supervisory Board

405/103, 405-1

At June 30, 2021, the KWS Group's Executive Board had five members, one of whom was a woman and four were men, and the Supervisory Board had six members, three of whom were women and three were men. The ratio of female members on the Executive Board was thus 20% and that on the Supervisory Board was 50%. The target figures for the Executive Board and the Supervisory Board that were set in 2017 in accordance with Section 111 (5) of the German Stock Corporation Act (AktG) and Clause 5.4.1 of the German Corporate Governance Code are 25% in each case.

### Executive Board and Supervisory Board members by gender

	Ratio on the Executive Board	Ratio on the Supervisory Board
Female	20%	50%
Male	80%	50%

### Executive Board and Supervisory Board members by age group

	Ratio on the Executive Board	Ratio on the Supervisory Board
Younger than 30	0%	0%
Between 30 and 50	20%	33%
Aged 50 and above	80%	67%

## Compensation of the Executive Board and the Supervisory Board

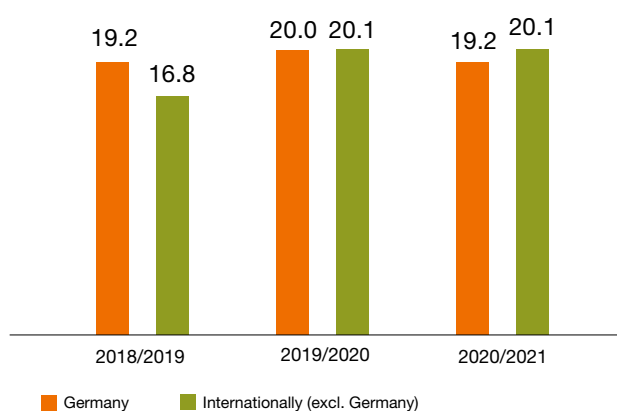
201/103

The compensation system for members of the Executive Board aims to promote the Company's sustainable development and comply with the objectives of the German Act Implementing the Second Shareholder Rights Directive (SRD II) and the German Corporate Governance Code. Their total compensation includes not only a basic salary, but also performance-based components that are linked to the Company's success, and fringe benefits. The compensation of the Executive Board is set by the Company's general partner and approved by the Annual Shareholders' Meeting. The compensation for members

of the Supervisory Board is governed by the Articles of Association and is based on the size of the Company and their responsibilities. The Company believes that a fixed compensation structure means that the Supervisory Board can better exercise its control function. The composition and level of the total compensation is disclosed starting from [page 55 of the 2020/2021 Annual Report](#).

102-38

### Manager to worker pay ratio



The manager to worker pay ratio, which denotes under the GRI the total compensation of the highest-paid employee relative to the average total compensation of all employees (with the exception of the highest-paid employee), was 19.2 (20.0) for all German companies in the reporting period. The pay ratio for the KWS Group was calculated with reference to the basic compensation and is 20.1 (20.1).

## Compliance

205/103, 206/103, 307/103, 403/103, 412/103, 419/103

The objective of our compliance concept is to protect the Company's employees, reputation and assets, and to gain and retain customers' trust through ethical conduct. It is based on our corporate culture, values and principles.

We believe compliance with basic principles of business ethics is vital to our license to operate, even when statutory standards in a country are lower. Accordingly, our compliance rules apply to all employees in the KWS Group worldwide.





Information, training and intensive consulting help integrate compliance in business processes and support management in making business decisions rooted in our corporate culture.

The Executive Board and the Supervisory Board's Audit Committee are informed once a year about the current status of the Compliance Management System and the latest developments.

### **Code of Business Ethics and internal rules**

102-16, 205/103, 205-2, 206/103, 307/103, 403/103, 412/103, 419/103

The KWS Group's fundamental and overriding business ethics principles are enshrined in our Code of Business Ethics. This code with its accompanying guidelines contains stipulations on compliance with the law, fair competition, prevention of corruption, safety at work, protection of the environment and the need to treat each other, customers, business partners, public authorities and other third parties with respect.

Our Code of Business Ethics gives employees guidance in their day-to-day work. All employees must commit to complying with it by signing a declaration to that effect and confirming that they have read and understood the compliance regulations, as well as to contacting the Compliance department if they are unsure as to whether actions may violate these regulations.

The Code of Business Ethics is supplemented by further KWS policies on individual topics, such as antitrust law, insider law and the avoidance and combating of bribery. There are also regulations on preventing money laundering, on insider law, and on protecting data and know-how. The code also defines in more detail the issue of international anti-corruption management as an integral part of our compliance management work. On the basis of the regulations in the code, there is a policy of zero tolerance toward any form of corruption at the KWS Group. That principle is codified in Group-wide anti-corruption standards governing the responsibilities, processes and requirements relating to prevention of corruption and bribery at the KWS Group. The standard

therefore applies regardless of whether bribery is prohibited by law, tolerated or not regulated in the country in question.

Our Group standards apply internationally and govern a large number of important topics, such as workforce concerns, IT standards and quality assurance aspects. The local entities at all our locations are responsible for ensuring compliance with the Group standards there. The Group standards are developed further, revised and supplemented as part of a continuous improvement process.

### **Posture and communication**

205/103, 205-2, 412/103, 412-2

The Compliance department advises all divisions of the KWS Group in complying with laws, regulations and internal rules of conduct. The focus is on the subjects of antitrust law, anti-corruption, data protection and capital market law.

The Compliance Officers regularly provide information about the compliance system and its principles, as well as about the latest issues and developments, in training courses, information events and workshops.

The Compliance department provides relevant employee groups throughout the Company with instruction on relevant topics, such as anti-corruption and human rights, on the basis of the train-the-trainer principle. The employees to be given such training are chosen on the basis of needs and their field of activity. Starting from fiscal 2019/2020, supervisors have also been able to enroll their employees in e-learning courses on compliance issues. Around 1,700 employees have enrolled for the training to date and around 1,300, or approximately 75%, of them have completed it. Further e-learning offerings are being prepared and will soon be rolled out. This digital system has proven its value, especially during the COVID-19 pandemic. In addition, the entire system for training was reorganized to enable the workshops to be held online due to global travel restrictions and home office regulations. Large on-site workshops were replaced by numerous smaller online events. As a



result, we were able to maintain the intensity of training. Apart from this information, a broad range of aids is also available to our employees. Checklists, instructional leaflets and other guides provide practical tips on observing compliance rules in everyday work. All information and rules of conduct can be accessed by employees worldwide in the Compliance Portal on KWS' intranet. Around 81% of the total workforce have access to the online Compliance Portal. In addition, all supervisors are obliged to inform their employees about compliance issues.

### Reporting violations of our principles

205/103, 206/103, 307/103, 403/103, 412/103, 419/103

If an examination or internal reports reveal indications of a compliance violation, the investigation is conducted in accordance with KWS' regulations "Procedures of Internal Compliance Notification." KWS' employees are obligated to report suspected violations; the open door principle applies to that. Employees can supply information on suspected violations to their supervisor, to the Chief Compliance Officer or to the Compliance Reporting Platform. Information can be sent to the platform in any required language. Reports of suspected violations can also be submitted anonymously. The reported cases are investigated by KWS. Whistleblowers do not suffer any disadvantages unless they have obviously abused their right to report violations. They receive confirmation that their report has been received and may be contacted via the portal and asked to provide further information. Finally, whistleblowers are informed when the investigation has been completed. If suspected cases prove to be violations, the system of sanctions is applied. In general, it can be applied to all types of compliance violations and is also accessible to employees. The system of sanctions defines various criteria governing the measures to be taken, such as the gravity of the violations, the degree of the person's

breach of duty, the functional level, behavior after the violation – help in investigating it or attempts to cover it up – as well as consequences of the violation, such as the threat of damage or actually incurred damage, among other things. The sanctions consequently range from cautions and warnings to immediate dismissal and filing of charges.

### Review of compliance and continuous improvement

205-3, 206-1, 307-1, 419-1

The Compliance Officers conduct an assessment of risks related to compliance together with the Finance and Risk Management functions. The results are used to make decisions on further examinations at our individual companies and to derive measures for improvement.

The implementation and observance of specific compliance aspects and regulations, as well as compliance with the processes specified in the Group standards, is examined in internal and external audits. The companies to be audited are chosen on the basis of the risk assessments carried out in the previous fiscal year.

In addition to the audits conducted by external auditors, a compliance audit specifically relating to the issues of corruption and money laundering was carried out this fiscal year. In addition, the Compliance Officers conduct an assessment termed risk scoring together with the Risk Management and Finance functions, the results of which are used as the basis to make and derive decisions for the companies under analysis.

No violations of laws in the social, economic and environmental areas or of our compliance principles, resulting in disciplinary consequences or official measures such as fines, were reported to headquarters in fiscal 2020/2021.



KWS takes responsibility for its supply chain.

## Responsibility in the Supply Chain

102-9, 204/103

Our suppliers have a substantial impact on the economic value added our products generate, their sustainability and their ecological footprint. We therefore strive for long-term partnerships with our suppliers and for structured supplier management. Our Purchasing department has special expert teams that centrally administer more than 120 purchasing categories and organize sourcing from the local regions where KWS operates. We buy in a broad range of different materials for breeding, multiplying, processing and packaging our seed.

Our purchase volumes are determined in particular by our seed multiplication and processing activities, laboratory requirements to conduct research & development, and investments in technical plant. We consequently buy in seed, pesticides, fertilizer, packaging material and logistics services as direct services and materials. Most of our strategic suppliers are managed by the team

in charge of procuring direct materials. Investments in production and breeding equipment and plant or laboratory hardware and other technical goods and services are supervised by a second team of experts. The indirect services and materials include energy, office equipment and services in areas such as IT, consulting and marketing.

We reduced our supplier network to around 22,000 (25,000) worldwide in the reporting period. Procurement has been centralized further in order to strengthen our purchasing power and manage suppliers in a uniform and standardized manner. We further expanded our central, digital supplier management system. It aims to make cooperation with our external partners easier, as well as to improve monitoring of them. That gives us new means of reviewing whether suppliers comply with our business standards before significant business transactions are concluded with them.





### What we expect from our business partners

102-16, 203/103, 205-2, 206/103, 308/103, 403-7,  
406/103, 407/103, 408/103, 409/103, 412/103, 414/103

We demand that our business partners ensure compliance with our business ethics. We expect our suppliers and service providers, their employees and subcontractors, consultants and other business partners (jointly termed “suppliers”) to act in an ethical, socially responsible, fair and sustainable manner and commit to the principles defined in our Code of Business Ethics for Suppliers. In order to ensure that, we obligate our suppliers to comply with our Code of Business Ethics for Suppliers when they conclude contracts with KWS ([www.kws.com/corp/en/company/suppliers/code-of-business-ethics-for-suppliers.html/](http://www.kws.com/corp/en/company/suppliers/code-of-business-ethics-for-suppliers.html/)).

Observance of fundamental human rights is enshrined in our Code of Business Ethics for Suppliers. It contains requirements on compensation, the minimum age of employment, occupational safety, freedom of association and assembly, and equal treatment and non-discrimination of employees. Other important components of the code are workplace safety, product

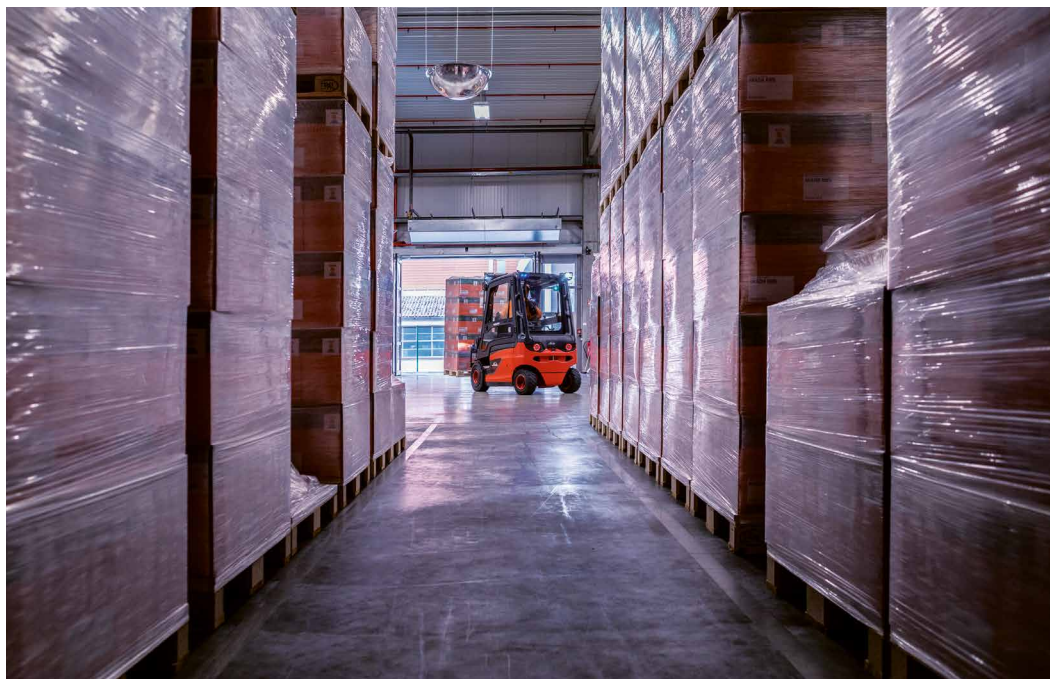
safety, protection of the environment, anti-corruption and the requirement to ensure fair competition and protection of personal data and third-party know-how.

Our suppliers must sign the code before we enter into a business relationship with them; in doing so, they also undertake to comply with environmental and social standards. If a supplier violates the code or fails to take corrective actions, KWS has the right to terminate the contract at its own discretion and to demand damages.

We are currently collaborating with various departments on our processes related to human rights requirements in order to achieve greater transparency on, and control over, compliance with our standards in the future. In this connection, we are also revising our supplier review process, in which ecological and social criteria are also taken into consideration.

No significant violations of the Code of Business Ethics for Suppliers were identified and no contracts were terminated due to inadequate compliance with the code in the reporting period.

Keeping organized – KWS Seed is distributed and sold internationally.





Sustainable Management  
at KWS

Product Responsibility

Environmental  
Protection at the  
Company

Social  
Aspects

Social Commitment

# Product Responsibility





## Modern Plant Breeding

201/103, 203/103

Two core aspects of plant breeding are that it has long development cycles and is research-intensive. Parent lines have to be crossed to develop a new variety and their progeny examined and selected with regard to the desired traits over a period of several years. In order to achieve our breeding objectives, we at KWS use a mix of various methods – from crossing, selection and hybrid breeding to biotechnology approaches. The key factor here is always what traits in a plant are to be improved. An average of ten years elapses between the first crossing and market launch. The KWS Group therefore has long-term, global breeding programs for the various crops and is able to leverage a worldwide network of breeding and trial stations. That lets us test variety candidates under – and tailor them to – different location-specific and environmental conditions.

Our breeding objectives are geared to the long term and address global challenges and the local needs of farmers. International scientific studies predict that weather extremes such as drought or torrential rain will increase in the future. Climatic changes may also result in a more conducive breeding ground for pests that have been inconspicuous and have only occurred in warmer regions to date. In view of this, we as a plant breeder are working on new, adapted varieties to ensure stable yields, since our seed is crucial to the success of a harvest and the quality of the agricultural raw materials. Apart from changes in climatic conditions, sudden or divergent changes to the statutory framework pose challenges for our breeding work.

We aim to increase average yields by 1.5% p.a. with our seed. We have to take into account that the cost and work required to achieve that breeding progress keeps on increasing. Changes in the climate mean that more and more additional traits, such as resistance to plant diseases and pests, are of relevance to our breeding work. At the same time, a variety must be attractive to grow and produce a high yield. That is why, as mentioned in the section “Sustainability Management,” we have included further breeding objectives in our strategy as part of our sustainability goals.

Varieties combining these characteristics can only be developed successfully by intensive field trials and greater use of modern breeding methods, which entails rising product development expenditure. Research & development expenditure in fiscal 2020/2021 was €252.2 million or 19.3% of total net sales.

### Modern breeding methods

102-44, 203/103, 203-2

Apart from our breeding programs, we also leverage molecular biology, IT or technical approaches in our own research activities to further optimize our breeding methods and develop new product traits. These activities are complemented by partnerships with public research institutes and private enterprises. Research work over the past years has shown that breeding can be sped up and made more efficient when modern methods are used.

#### Research & development expenditure

		2020/2021	2019/2020	2018/2019
R&D expenditure	in € millions	252.2	236.1	205.6
R&D intensity <sup>1</sup>	in %	19.3	18.4	18.5

<sup>1</sup> As a % of net sales



## Genome editing

Genome editing techniques are molecular biology methods that are used in plant breeding to adapt the plant DNA. Depending on the application, plants can be bred that are identical to those that arise by chance in the field or that have been bred conventionally. Genetically modified plants can also be developed in this way. Genome editing thus offers us the chance of attaining breeding objectives sooner and, in particular, very precisely. Moreover, smaller cultivars that only can be bred at very great cost can benefit from genome editing. By using these techniques, we can provide farmers with new varieties to meet challenges in agricultural practice faster. Such breeding objectives include higher yield reliability, resistance to diseases, less use of pesticides, greater drought tolerance and better nutrient efficiency.

The European Court of Justice ruled in July 2018 that, under the directive on the deliberate release into the environment of genetically modified organisms, all plants created using genome editing have to be classified as genetically modified organisms (GMOs), even if they are identical to plants that have emerged naturally or have been created by conventional breeding. Since this sweeping classification as GMOs would mean that a lot of time and money is required to obtain approval for varieties in the EU and there is no market acceptance for genetic engineering in the EU, plant breeders are as good as prevented from exploiting the potential of these methods in the European market.

The KWS Group's stance is that plants that do not differ from conventionally bred plants or might be produced naturally should not be regulated as genetically modified organisms, since they do not contain foreign or recombinant DNA. We are campaigning for European

law to be amended in the medium term so that such innovative methods can also be used in agriculture in Europe. We therefore welcome the study on the assessment of new breeding methods presented by the European Commission in April 2021. The results prove that they have the potential to contribute to a more sustainable food supply as part of the objectives under the European Green Deal and the Farm to Fork Strategy. In addition, the study identifies clear indications that the prevailing legal regulations are no longer expedient and need to be adapted to scientific and technical progress.

We at KWS are currently using genome editing to a greater extent in research and, as part of creating varieties with this technology, are evaluating, in particular, markets where these methods are not regulated like genetic engineering.

We have also achieved methodological advances in the past years by using genomic analyses. Most of the biological traits we want to improve through breeding are complex and therefore depend on many genes. That makes the breeding process complicated and time-consuming. Genomic selection enables us to determine a plant's potential for further breeding, with the result that only some of the progeny from a crossing need to be examined in the field. The performance of the rest of the material can be predicted with the aid of computer models using the genomic data. Genomic selection boasts the advantage that far more plant material can be examined and selected with the same budget. Greater efficiency in developing material and generating genomic data resulted in a further significant increase in the application of this technology last year. KWS now uses genomic selection for just about all crops in its product portfolio.





Despite these modern methods, field tests are an indispensable part of breeding. An important aspect of them is to accurately assess plant traits, such as height or the potential incidence of disease. The technical term for that is phenotyping. A breeder's eyes are now assisted by technological advances. The focus is on tools for recording and evaluating digital images and hyperspectral measurement data to assist phenotyping. Among other things, KWS' experts use drones that are equipped with special cameras and cutting-edge software and identify the color, size, shape or temperature of the leaves when they fly over the field. Large plant stands

are recorded automatically by digital means and their phenotype is thus defined in a precise and standardized manner. This gives our breeders more extensive information to help them make decisions on selection. In addition, we now use robots, cutting-edge camera and lighting technologies, and artificial intelligence and climate control methods in our greenhouses. That allows us to gain new findings for our breeding work, for example on the water balance of corn and sugarbeet plants, which are an important foundation for developing new drought-tolerant varieties.

We deliver best-quality seed to our customers.





## Product Quality and Safety

In all our research & development work and production processes, the quality and safety of our seed are our key competitive factors. With our international quality management activities, we help ensure that our standards for products and processes are achieved in all areas of the Company.

### Precautions, Group-wide product quality standards and quality testing

#### Precautionary principle in plant breeding

102-11

Breeders rely on forward-looking innovations in order to protect ecosystems and satisfy people's food needs. However, it is clear that progress must not come at any price. It is important to examine the potential risks of innovations. Every new technology might have unanticipated impacts on people and the environment. Taking precautions is therefore a responsible and necessary policy.

However, it is important to apply the precautionary principle in a balanced way. Lawmakers restrict the use of new technologies, among other things, on the basis of the precautionary principle. The fact that scientific findings are unverified may also be enough for certain innovations to be prohibited. That puts heavy demands on researchers and inventors. We therefore believe that an up-to-date scientific risk assessment and ensuring awareness of potential risks are vital requirements in a balanced precautionary approach.

We at KWS apply the precautionary principle in various process certification activities in research and breeding.

#### Quality standards and quality testing

416/103

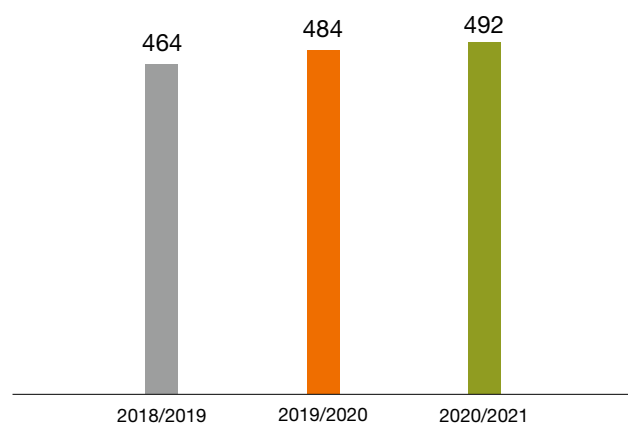
We want to supply top-quality seed to our farmers. KWS keeps on developing and establishing new technologies, processes and methods for improving product quality and safety. They include X-raying untreated sugarbeet seed so as to obtain information on the seedling's development or the use of image analysis methods in examining germination speed.

We also set internal standards of quality exceeding those required by law and accompany the entire process – from breeding to seed processing – with extensive quality tests. Our internal quality standard QualityPlus, for example, aims to ensure a high germination capacity, a very low level of extraneous matter, high technical purity and a controlled degree of dressing. The requirements and time of – as well as responsibilities for and documentation of – the tests and the measures to be taken in response to deviations are precisely defined. Quality examinations are largely conducted in our own laboratories and in accordance with the methods specified by the International Seed Testing Association (ISTA).

The rules, standards and processes relating to quality assurance are defined in our Group standards, which apply internationally. They, along with internal audit management, are a key pillar in our integrated management system.

Our locations undergo regular certification based on our integrated management system. A decision to have our locations certified externally depends on the economic value added they contribute to the Company's success. We evaluate that regularly. Apart from the fact that the majority of its German locations hold ISO 9001 certification, KWS is also certified in accordance with various other standards. One of them is

#### Marketing authorisations





SeedGuard, an industry-specific standard relating to proper use of seed treatments. Six treatment facilities in Germany currently hold SeedGuard certification. Other certifications currently held by our business establishments include the environmental management standard ISO 14001, the laboratory management standard ISO 17025 and GMP+ B3 certification for feed quality. It is also worth emphasizing here that we are certified worldwide in accordance with the regulations on handling transgenic material under the standard Excellence Through Stewardship (ETS).

All on-site audits were canceled in the spring of 2020 due to the pandemic, so as to rule out any risks to health. Where necessary, remote audits were conducted – for example in the ISO 9001/14001 monitoring audit. The extent of the on-site audits will be expanded again once the situation regarding the pandemic permits. We were able to maintain all our certifications despite the constraints imposed by the pandemic.

Apart from undergoing certification, our products are also continuously monitored by the Company itself, public authorities or institutes, for example to ascertain the consistency of their performance or field emergence – even after they have been awarded market approval. Varieties are awarded approval in the EU, for example, only if they have “value for cultivation and use,” i.e., they differ significantly from already approved varieties and offer a clear improvement in cultivation or further processing. One of the measures of our breeding progress and the quality of our products is thus the number of annual marketing authorisations for new KWS varieties. We obtained 492 marketing authorisations in the reporting period.

## Protection of the environment and health in the use of pesticides

304-2, 416/103

We use pesticides in our internal processes for operational reasons. They are used at KWS in particular in research and breeding, on its trial areas and for treating seed in compliance with the law and in accordance with the rules of good professional practice. Depending on the trial, crop, and disease and pest pressure, different products must be used in different quantities in order to protect plants in their vegetation phases.

In principle, the active agent concentration in the pesticides we use is controlled in our Company's own laboratory before they are used. Seed treatment, i.e., the application of pesticide to seed, is also subject to strict regulations. The goal of treatment is to disinfect the seed and protect the young seedling against pests in the soil. As a result, our seed delivers the best-possible field emergence. The technical methods for seed treatment and the relevant formulations and additives are developed by KWS itself and tested intensively before being used on commercial seed.

In addition, we have worked for years on biologicals as an alternative or complement to chemical means of seed treatment. They comprise microorganisms such as fungi and bacteria, but also various substances that are obtained from plants or microorganisms. We have treated sugarbeet, rapeseed, corn and rye seed with biologicals since the last fiscal year 2019/2020. We have now started developing biological applications for further crops, such as sorghum, this fiscal year.



The seed is treated in special processing facilities in order to ensure the greatest possible protection of the environment and health in the process, and in later use of the treated seed. We have a total of three seed processing plants of our own in Germany for treating sugarbeet, cereal and rapeseed seed. Our plants in Einbeck, Bergen and Wohlde have already been certified in compliance with SeedGuard, the system used in the German industry. In processing commercial corn seed in Germany, we cooperate with service providers that are likewise certified in accordance with SeedGuard. The abrasion resistance of the finished seed must also be stringently controlled using the Heubach test, a process for which our laboratory at Einbeck has gained certification.

### **Our transparency commitment and required product labels**

417/103, 417-1

In addition to the labeling of our products, which is based on national legal requirements, we are committed to the greatest possible transparency for our products and our supply chain. Labeling obligations relate in particular to coated seed in order to prevent improper use. We use pictograms from the European Seed Association (ESA) – an initiative of the seed and pesticide industry – on most of our packaging. In addition, farmers are provided with informational material, such as brochures, containing additional explanations of the warnings on the packaging. Further product labeling makes reference to the quality assurance technologies we have developed ourselves.

### **Handling of defective products, complaints and customer satisfaction**

416/103

Regulations on how defective raw goods and defective semifinished and finished products are handled are defined in internal instructions. The objective is to prevent inadvertent, erroneous further processing or shipment of raw goods, semifinished products

and finished products that do not meet our quality requirements. Complaints about products are likewise recorded, described, documented and reported centrally on the basis of defined processes. Every complaint is examined in detail and discussed together with the customer.

As part of our ETS certification, we rolled out a standardized process for managing incidents with transgenic material. If we should find that deviations may potentially result in the violation of internal or external standards and regulations, the process comprises clear stipulations and procedures for correcting them immediately.

We also conduct regular customer satisfaction surveys to assess our customers' satisfaction with KWS' products, support and consulting. That helps us identify any need for action and initiate appropriate measures.

### **Improving the quality of seed**

416-2

Ensuring high seed quality and further enhancement of key quality parameters is a continuous process and a focus of our research & development work. All activities relating to seed quality are designed, coordinated and conducted by a multidisciplinary team. Our range of activities comprises practical projects in the field of basic research, such as optimization of agricultural technologies used in seed multiplication and further development of process engineering in the areas of processing and pelleting. We develop and utilize new or alternative methods for improving seed quality. KWS cooperates with universities and other institutes in some of the projects. They make a major contribution to helping KWS continuously improve the quality of seed for its varieties and keep it at a high level.

The responsible departments were not aware of any violations of statutory health and safety standards in the reporting period.





## Intellectual Property

### 201/103-2

The KWS Group runs a broad global network of stations and trial fields for seed breeding. We test our own or externally procured genetic material for the respective application areas there.

These activities are accompanied by high expenditure. Protecting intellectual property is of fundamental importance to us in order to maintain our economic attractiveness. Variety protection is a tried-and-tested instrument for protecting our plant varieties and, thanks to the breeder's exemption, it also safeguards access to plant genetic resources for further breeding. It is important for us to have unhindered access to biological starting material and to protect our intellectual property relating to innovative plant varieties and new breeding technologies.

Since innovations and ideas not only merit protection once a patent, copyright or trademark can be filed for them, KWS believes comprehensive internal information and know-how management is particularly important. To enable this, we have established an internal policy on protecting our know-how

### Patenting

In plant breeding, intellectual property systems encourage the development of new varieties for the benefit of society. There are two Intellectual Property systems in place: Plant Variety Protection and Patent law. Both systems complement each other and are applied in parallel by KWS. The possibility of patenting technological inventions in plant breeding is important because it enables long-term and cost-intensive research projects – plus it incentivizes their financing. Ideally, Patent protection should not extend to native traits, because the man-made inventiveness feature is lacking.

In order to breed new varieties with better characteristics, breeders need the greatest possible diversity

of genetic source materials. Under the Plant Variety Protection system, genetic diversity of innovative new commercial varieties is freely available through the Breeders' Exemption. In most countries, however, when a variety that is protected under the Plant Variety protection system also contains a patented trait, then the Breeder's Exemption is blocked during the duration of the patent. Accordingly, KWS stands up for regulating IP rights in ways that ensure that further breeding progress and diversity are safeguarded, as with the Breeder's Exemption. At the same time, Patents should not be used to create monopolies; they should be used to encourage sustainable innovation for the benefit of society.

The KWS Group is therefore in favor of approaches that ensure fair access to patented elements.

### Use of plant genetic resources

#### 411/103, 411-1

Where genetic material is used, the rights of the indigenous peoples must be respected in all regions from which the material originates. KWS is aware of its obligations in this regard and supports the various international access and benefit-sharing frameworks. Of prime importance in this respect are the Convention on Biological Diversity, the Nagoya Protocol and the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA). The Convention on Biological Diversity outlines the general framework for access and benefit-sharing for the transfer of genetic resources, while the Nagoya Protocol and ITPGRFA operate under the umbrella of the Convention on Biological Diversity. The latter is particularly relevant to regulating transfer of genetic resources in plant breeding. KWS maintains dialogue with governments through industrial associations, such as Euroseeds and the International Seed Federation (ISF). They discuss subjects such as improving the ITPGRFA, increasing the covered scope of relevant crops or the implications of expanding the Convention on Biological Diversity to include DNA sequence information.



We have implemented a due diligence process to ensure compliance with these guidelines. All employees who work with genetic material are obligated to digitally register all materials used, whereupon our Intellectual Property department instigates an examination of where the genetic material has come from. Colleagues from our Legal department also provide assistance in more complex cases. In addition, new employees are offered training modules, and an annual update meeting on the issue is held (most recently in March and June 2021). If an examination should find that the origin of the genetic material or the process by which it was obtained is unclear, we refrain from using it. During the

reporting period, the origin of all the genetic materials we used could be tracked. The KWS Group is not aware of any cases in which its business activities violated the rights of states or indigenous peoples.

There is regular dialogue in the course of each year with the Executive Board member responsible for research and breeding both in the context of the semiannual meetings of the ISF and also as and when required. An annual report to the Executive Board is only drawn up if specific issues or incidents have been identified as part of the due diligence process. Therefore, no such report was drawn up this reporting period.

Transparency in plant breeding – a crucial topic for success.







Sustainable Management  
at KWS

Product Responsibility

Environmental  
Protection at the  
Company

Social  
Aspects

Social Commitment



# Environmental Protection at the Company





## Environmental Management at KWS

302/103, 303/103, 304/103, 305/103, 306/103

We implement Group-wide standards for environmental protection, resource-conserving operation of our locations, health and occupational safety, and protection of business assets as part of our global HSE (health, safety and environment) management activities.

In relation to the environment, they include internal stipulations on air pollution control, waste disposal and the handling of hazardous substances. These are especially relevant to production sites and research locations, but are also binding throughout the KWS Group. In general, all KWS locations are run in compliance with the applicable local statutory requirements. In regions with low statutory standards, our internal stipulations ensure compliance with a Group-wide minimum standard.

We keep on developing our HSE management system further and regularly update it and add new aspects and elements. In fiscal 2018/2019, we defined a new, global organizational structure with a Global HSE manager as the central contact person in Einbeck and supplemented our HSE network with local HSE managers to monitor and accompany operational implementation of, and compliance with, the requirements at the locations, for example. In the near future, we intend to expand an internal auditing system so as improve the system of regular controls for our HSE standards.

### Control of our HSE stipulations in relation to the environment

302/103, 303/103, 304/103, 305/103, 306/103

Plant and process safety is – alongside preventing occupational accidents – another key aspect in avoiding negative environmental impacts. A particular focus here is therefore on our HSE stipulations. All relevant locations undergo regular external audits conducted by technical experts from our global insurer in close coordination with HSE Management. The audit results are used to derive measures to improve plant and process safety in line with the applicable HSE regulations.

The number of in-person audits in the reporting period was reduced due to the coronavirus pandemic. Some audits were held digitally. A total of more than 20 audits in five countries were conducted by our global insurer. Outside our HSE management system, there are also further audit and control systems that minimize environmental risks. Examples that can be cited here are certification of treatment facilities in accordance with SeedGuard (including regulations on the handling of environmentally harmful chemicals and waste, and the use of exhaust air filters) or the environmental management standard DIN EN ISO 14001, under which our headquarters in Einbeck have been certified since 2001. The audit was conducted successfully in the reporting period despite the constraints imposed by the pandemic. DIN EN ISO 14001 certification of all German locations is envisaged in 2022.

An overview of the valid certification we currently hold can be found at: [www.kws.com/corp/en/company/corporate-responsibility/quality-stewardship/](http://www.kws.com/corp/en/company/corporate-responsibility/quality-stewardship/).

Plant and process safety is a key aspect of our HSE Management.







## Sparing Use of Resources at the Company

302/103, 303/103, 303-3

In order to minimize the ecological impacts of its locations and operations, KWS strives to continuously improve internal processes, the technologies it uses and internal Company standards. The locations themselves are responsible for the concrete application and operational implementation of resource-conserving measures. Concrete minimum requirements in our global HSE (health, safety and environment) management activities ensure that all KWS locations are governed by comparable regulations.

We have recorded key consumption indicators for all German locations since fiscal 2008/2009. That process was internationalized in fiscal 2017/2018 and has been continuously expanded since. In the past fiscal year, we adopted a new materiality analysis focusing on emissions and water consumption, among other things. We have also set ourselves the goal of rolling out score-cards for evaluating internal production sites, including the processing plants and internal seed multiplication areas. We can leverage greater transparency on our production sites in the future in order to support the choice of sustainable locations and investment planning.

Most of the water and energy used is consumed internally at KWS in the first phases of the agricultural value chain. Cold storage cells are used in sugarbeet research & development to simulate cold weather

dormancy, while an important factor in seed multiplication is to supply plants with enough water, for example. Moreover, energy and water are used in drying and treating seed in the pre-cleaning and further processing stages.

The quantities of the resources we use fluctuate from year to year since they depend on our production volumes and on external factors such as weather conditions or, in the case of pesticides, the occurrence of diseases and pests (see also Protection of the environment and health in the use of pesticides on page 33 et seq).

### Energy and emissions

302/103, 305/103

We concretized our sustainability goals last fiscal year as part of our strategic planning. In addition to objectives for research & development and social aspects, we defined quantitative targets for continuously reducing the emissions caused by KWS: KWS aims to reduce all Scope 1 and 2 emissions it causes by 50% by 2030.<sup>1</sup> The base year for that is the past fiscal year 2020/2021. In addition, the emissions caused by KWS (Scope 1 and 2) are to be cut to net zero by 2050 in accordance with current, science-based standards. So that we can track our progress here, the current status of emissions reduction is to be reported annually to the Executive Board starting from the current reporting period.

<sup>1</sup> Scope 1 and 2 emissions are produced either directly through our own consumption or indirectly by purchasing energy.

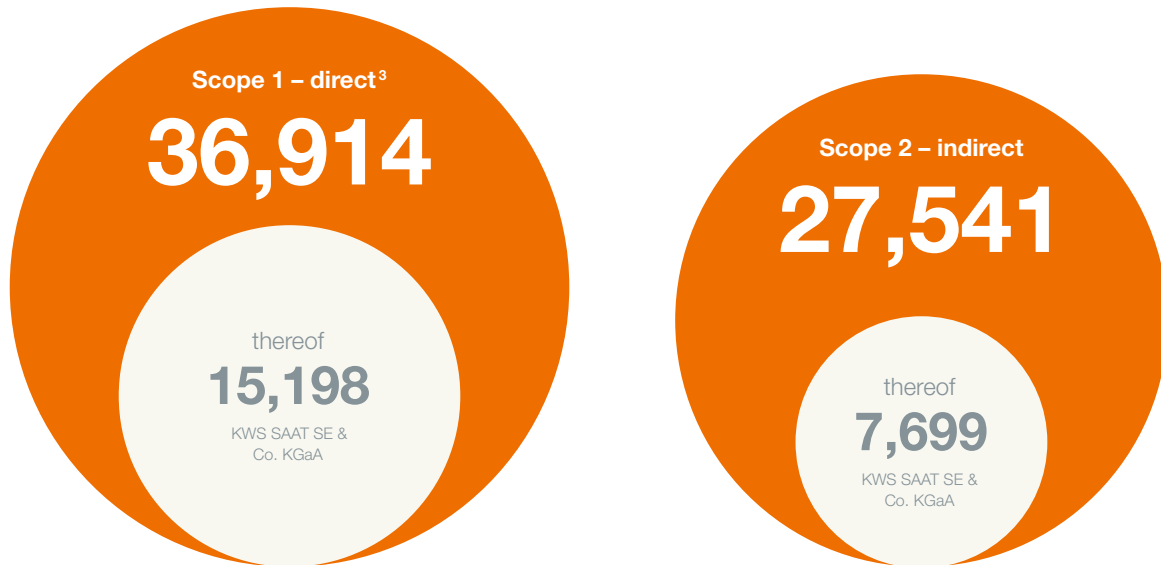
### Agricultural value chain

Seed	Cultivation	Improvement/ processing			Trade			Consumer industry
R&D	Multiplication	Cleaning	Processing	Packaging	Sales & adminis- tration	Distribution	Farming	Consumer

■ KWS activities with high water and energy consumption



305-1, 305-2

**Emissions<sup>1</sup> of the KWS Group in t CO<sub>2</sub>e<sup>2</sup>**

**Targets: Emission reduction of 50% by 2030 and net zero by 2050**

<sup>1</sup> Calculated in accordance with the Greenhouse Gas Protocol guidelines and using the location-based method

<sup>2</sup> According to IPCC 2013-climate change-GWP 100a-(kg CO<sub>2</sub>-Eq) per 1 unit of reference product

<sup>3</sup> Does not include emissions from our own use of fertilizers. Fertilizer is mainly applied by external service providers (Scope 3).

305-1, 302-2

**Energy usage**

GJ	2020/2021
<b>Total energy used</b>	<b>1,221,042</b>
Renewable energy sources	
Corn cobs	232,989
Biogas	107,404
Wood chips	25,166
Solar	1,352
Ethanol <sup>1</sup>	989
Non-renewable energy sources	
Natural gas	296,294
Electricity <sup>2</sup>	211,251
Diesel <sup>1</sup>	181,677
Liquefied petroleum gas <sup>1</sup>	86,026
Gasoline <sup>1</sup>	37,729
Propane gas <sup>1</sup>	32,789
Fuel oil	5,009
District heating	2,329
CNG <sup>1</sup>	38

<sup>1</sup> Including leased vehicles and agricultural machinery

<sup>2</sup> Country-specific electricity mix

Recording of the emissions caused by KWS was further expanded in the reporting period and consolidated worldwide with the aid of a new online platform. That covered all companies in which KWS owns a stake of more than 50%, with the exception of holding companies. Moving ahead, we aim to expand recording of emissions to include suppliers and service providers (Scope 3), for example.

Total emissions in the fiscal year were 64,455 tons of CO<sub>2</sub>e, of which the parent Company KWS SAAT SE & Co. KGaA produced 22,897 tons. The new methodology means that a comparison with the previous year's data is not possible.

**Water**

303/103, 303-1

Water is an important business resource for us as a seed specialist and plant breeder. It is vital in every phase of seed production – from research to the finished product that is ready for sale. We believe it is our obligation to maximize efficiency and eco-friendliness in consuming



water. Apart from our HSE Guidelines, the HSE Manual specifies that we aim to work in a way that conserves resources and to avoid process-related effluents as far as possible. In fiscal 2019/2020, KWS also adopted guidelines stating that the use of renewable resources in construction projects must be examined so that, for example, use of groundwater can be reduced further. We also use rainwater for the sanitary facilities at our Einbeck location.

Alongside water consumption in offices and research buildings, the highest levels of fresh water are used in watering the plants at our trial and multiplication locations. That is necessary so as to create the best-possible conditions for healthy seed and ensure a high yield in multiplication. The water we need is taken from local water supply networks or, if possible in a region, we use groundwater, surface water or rainwater.

It is unlikely that we can minimize absolute water consumption long term, given our growing business activity and the strong variable influences of external factors (such as the temperature or precipitation). We are currently recording and consolidating our global water consumption. Development of a normative key performance indicator and suitable auditing systems was discussed by the Executive Board in fiscal 2020/2021 and we are striving to implement them in the future.

### 303-3

#### Water withdrawal

In m <sup>3</sup> (international)	2020/2021
<b>Total water consumption</b>	<b>881,782</b>
Tap water	130,517
Water from wells/groundwater	409,689
Cistern water/rainwater	3,376
Surface water	338,200
Seawater	–

### Waste and effluents

#### 303/103, 303-2, 306/103

Our mission as part of our global HSE management system is to work in a way that conserves resources and ensures we largely avoid producing process-related waste and effluents. Waste is, in accordance with its composition, recycled by suitable internal or external means or disposed of in an approved manner.

In principle, we dispose of waste and effluents at all our locations in compliance with local legislation. The disposal companies we engage must have the appropriate expertise and official approval.

Our HSE management system also governs the procedure for dealing with waste and effluents in regions where there are no minimum requirements enshrined in law. The main processes include:

- The recording of data on and discharge and disposal of effluents and surface water from the company campus is ensured by constructional and organizational measures.
- Wastewater flows, such as surface water, process-related effluents and domestic effluents, are recorded separately.
- The quantities of waste and process-related effluents are documented.
- Where there is a connection to the public sewerage system, constructional measures are taken to prevent effluents from flowing back.
- Wastewater systems for the company campus are monitored, maintained and cleaned regularly.

The effluents we produce are mostly water from rinsing and cleaning operations at our production and research facilities and are treated as “liquid waste.” The most significant waste flows occur in production in the form of waste seed, residues from filters and wind sifters, and packaging materials. The organic-mineral dusts produced in pelleting sugarbeet seed are completely returned to the process. Dusts polluted with pesticide are disposed of as special waste together with treated seed that can no longer be marketed.

Recording of the quantities of waste is currently being expanded internationally and standardized.



## Resource-conserving Products

304/103, 304-2

As a company specializing in seed production, we can influence biodiversity in agriculture for the long term with our products and services, namely wherever farmers grow plants with our seed and make use of our consulting. By continuously improving our seed, we help minimize the use of agrochemicals and the natural resources required in agriculture, as well as preserve near-natural areas and decrease emissions caused by agriculture, since the seed enables yields to be increased on existing agricultural land.

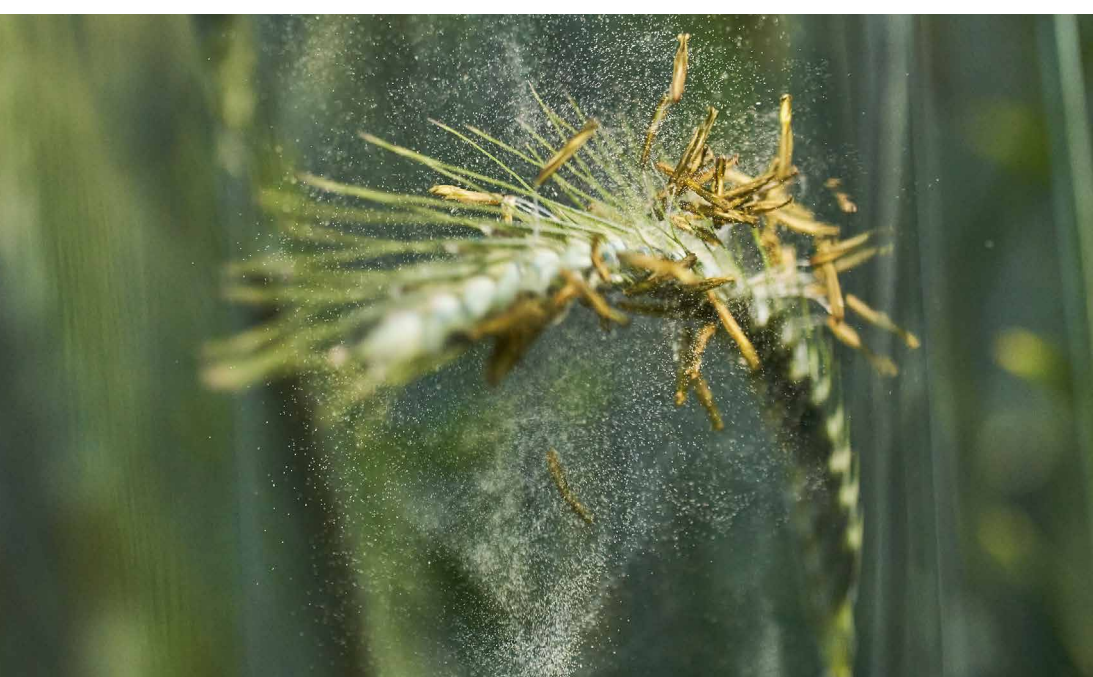
Apart from the core breeding objective of increasing our crops' yield, we also strive to develop variety traits that reduce the resources needed; that goal was defined in concrete objectives as part of our sustainability strategy this fiscal year. They include nutrient efficiency, drought tolerance and a variety's resistance to pests and diseases. The crop-specific development objectives are agreed annually between Research & Development, the respective breeding departments, Production and Sales, submitted to the Management Board for approval and reported to the Supervisory Board. The progress made over the past years is also examined and reported on regularly as part of that.

### Biotic resilience thanks to catch crops and mixed cropping

304/103, 304-2

We make a positive contribution to biodiversity with our diversified product portfolio, for example our catch crops, mixed cropping solutions and high-performance varieties, including for organic farming. Catch crops are growing in importance in modern agriculture, especially in Europe. Diversifying the crop rotation cycle by cultivating catch crops offers various advantages. They include promoting soil life and insect diversity, natural combating of pests such as nematodes, production of a large amount of biomass over a lengthier period of time, reduction in soil erosion due to wind and water and consequently less nutrient leaching. Growing catch crops therefore helps preserve the long-term fertility of soil. We have successfully established catch crops such as phacelia, mustard and oilseed radish over the past decades and included various catch crop mixtures with species such as Italian ryegrass, turnips and buckwheat in our portfolio.

As part of our "KWS FIT4NEXT" range of catch crop mixtures, we offer solutions for common crop rotations and greening requirements in Europe. Intercropping offers farmers many positive aspects: e.g., erosion control, nutrient storage and the enrichment of nitrogen (CO<sub>2</sub> fixation), the formation of humus, the promotion of biodiversity and a reduction in nematodes present in the soil.







## Biodiversity through seed for organic farming

304/103

Compared to traditional agriculture, organic farming has a more positive influence on biodiversity, since no chemical pesticides are used in it and near-natural areas are fostered to a greater extent, for instance. The KWS Group believes that the key to creating more sustainable agriculture lies in efficiently combining elements from organic and conventional farming.

Our focus in the organic farming arena in the reporting period was on variety development. As part of that, we hired new personnel with specific expertise in organic farming for our breeding activities and for our trial technology. KWS has its own location for organic farming in Germany, the Wiebrechtshausen monastery estate. In addition, we expanded our trial areas and improved the quality of trials by means of statistical analyses, enabling even more precise selection of candidate varieties under ecological conditions.

## Resource efficiency thanks to global trials in resource-saving cultivation

KWS' core business is to optimize plants' genetic makeup. However, agrotechnical methods also have a considerable influence on yield. That is why we conduct agrotechnical trials with the plant varieties we offer at our farms and on our trial areas and develop practical recommendations on how to grow specific crops for farmers, also in cooperation with scientific institutions.

That also includes developing methods that prevent soil erosion by wind and water and reduce the removal and leaching of nutrients. By and large, mulch tillage has proven to be a valuable solution in sowing sugarbeet in Germany. In this method, the soil is not turned, meaning the residues of the catch crop and the preceding crop remain on the surface. Compared with plowing, the same or even a higher yield is achieved.

For many years now, we have also conducted low-input trials at the Corn Segment – using sharply reduced quantities of fertilizer or even no fertilizer at all or by reducing the pesticides used. That enables selection of corn varieties that have especially good nutrient efficiency and/or more resistance to diseases. These hybrids can thus help conserve a wide range of different resources.

At the beginning of 2021, the plants in the series of trials at four locations in Germany were tested under conditions where their supply of nitrogen was reduced (by 30–40%). That allows us to characterize our current hybrid varieties in terms of their nitrogen use efficiency and stress tolerance, and improve these traits through breeding.

## Resource-conserving new developments

203/103, 203-2

Developing resource-conserving seed is always a balancing act and is often directly linked to other non-financial, as well as financial, aspects. It enables plants to survive despite obtaining fewer nutrients or being exposed to high pest pressure, although they might then produce less plant mass, resulting in a lower harvest.

KWS' mission is to ensure a reliable crop yield using plants that have resource-conserving traits. These traits range from resistance to diseases (which means less pesticide is required), formation of specific tolerances (resulting in less need for fertilizer and water where there are exceptional prevailing soil and weather conditions), to the use of alternative means of treating seed so as to save resources during the production process.

With that goal in mind, KWS has launched the wheat project PILTON together with 54 other plant breeding companies. The project's objective is to examine what benefits new breeding methods deliver for resource-conserving and productive agriculture, and specifically to evaluate the potential for reducing the use of pesticides.



Moreover, new sugarbeet varieties with resistance to the fungus *Cercospora* were also launched in the fiscal year, including introductions in Germany, France, the UK, Spain and Poland. For farmers, these varieties offer the possibility of safeguarding sugar yields even under pest-pressure without having to accept yield losses in the event of non-infestation. At the same time, the varieties have the potential to reduce the use of fungicides.

Apart from fungal pathogens, viral diseases transmitted by insects cause significant losses of yield in various crops. Various pests, such as aphids, and the yellowing viruses they transmit are spreading far more strongly in many sugarbeet cultivation regions as a result of the growing number of bans on neonicotinoids in the European Union. In order to reduce the losses caused by yellowing viruses, KWS launched its first tolerant variety under the integrated approach "Virus Yellow Protect" in the past fiscal year. The variety MARUSCHA KWS has gained approval in the UK and Germany and, all in all, has good tolerance to yellowing viruses. It also impresses with far better yields in situations where plants are infected by viruses. Further varieties are currently undergoing testing in official trials in France, Belgium, the Netherlands and Switzerland.

A further important approach in enabling sustainable agriculture is the use of biostimulants or pesticides of natural origin, termed biologicals. They include micro-organisms such as fungi and bacteria, as well as various substances that are obtained from plants or microorganisms and have a positive effect on plant growth. A special method enables us to make biologicals long-lasting when used as a coating to gently treat the seed of many crops. After the crops have been sown, the microorganisms multiply at the roots, establish themselves in the soil and create favorable growth conditions for the plants. That can demonstrably strengthen crops' growth, especially under stress conditions, or increase their resistance to pests. We now treat sugarbeet, rapeseed, corn and rye seed with biologicals. We started developing biological applications for further crops, such as sorghum, in fiscal 2020/2021.

#### Digitization and automation at KWS

Digitization is penetrating more and more areas of our research & development work. We can increasingly make breeding decisions on the basis of big data and using algorithms. Elsewhere, we are transferring important processes to technical systems so as to automate and increase the efficiency of workflows in the lab, greenhouse and field.



Robotic systems in agriculture – a future perspective.

KWS' international testing and trials are benefiting more and more from "FieldExplorer," a geodata management platform we have developed in-house. Around 700 KWS staffers worldwide now use the system and the possibility of fully digitized field planning and field management it offers. Further application modules were added to the platform in fiscal 2020/2021. Two newly developed apps also allow it to be used on mobile devices. Our users in the field thus have access to various trial and production data and can enter their results and observations on the spot. We have already been able to increase efficiency in our testing and trials significantly by using this platform.

Digital solutions are also taking root in our greenhouses. Since the last fiscal year, autonomous transportation vehicles and artificial intelligence have helped our

research into drought stress in corn and sugarbeet plants. The self-driving vehicles automatically take the plants to various analysis stations so that their growth can be documented. We also gain insights into the water balance of plants with the aid of hyperspectral imaging and smart image-processing software.

In addition, KWS is investigating and promoting new methods for precise, non-chemical weed control with the "FutureLive: Robotic weeding in the field" project, where it is testing innovative robot systems that remove weeds in a pinpointed manner thanks to artificial intelligence and high-precision GPS systems. The goal is to reduce the use of pesticides long term and make organic sugar-beet cultivation more profitable, for example.





Sustainable Management  
at KWS

Product Responsibility

Environmental  
Protection at the  
Company

Social  
Aspects

Social Commitment

# Social Aspects







## Labor and Social Standards

403/103, 405/103, 406/103, 408/103, 409/103, 419/103

KWS is committed to fair labor and social standards throughout the Group and ensures they are observed. It goes without saying that we apply existing labor and social standards under local legislation wherever we operate.

The main labor standards entrenched in our Group standards include:

- The applicable regulations under labor and social insurance law are observed in all employment relationships at the KWS Group.
- In addition, KWS complies worldwide with the locally applicable statutory regulations on the principle of equal pay for equal work while considering the respective individual's expertise, professional experience and local market conditions.
- Furthermore, our labor standards include technical, organizational and occupational health measures to prevent accidents and diseases at work.
- In order to ensure we observe human rights when recruiting, hiring and employing personnel, we are guided by prevailing anti-discrimination laws and the standards of the International Labour Organization (ILO) relating to child, forced and compulsory labor.

Our labor and social standards apply to all the Group's employees.

### Contracts with our employees

102-8

Some 92% (Germany: 88%) of our employees throughout the Group had a permanent employment contract in the reporting period.<sup>1</sup> KWS also employed 1,167 seasonal workers in harvesting and 227 external employees and temporary workers. The conditions for using temporary workers, as a flexible and complementary HR tool, are largely defined in company agreements or, if that is not the case, are governed by individual contracts.

Seasonal workers are especially important for KWS, since they do an important part of the work in the field, such as harvesting. Some seasonal workers are employed directly by KWS, while others are hired from agencies. The length of time they are employed for may vary depending on their task area.

<sup>1</sup> Excluding all employment of seasonal workers

102-8

#### Employees by type of contract

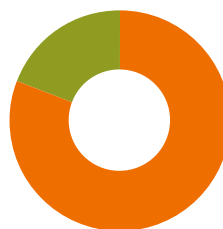
Ratio of women/men/non-binary persons (in %)	2019/2020 Permanent	2019/2020 Temporary	2020/2021 Permanent	2020/2021 Temporary
Full-time	32/68/0	44/56/0	31/69/0	44/56/0
Part-time	78/22/0	54/46/0	81/19/0	54/46/0
Seasonal workers <sup>1</sup>	35/65/0		34/64/2	

<sup>1</sup> No distinction is made between permanent and temporary seasonal workers.

#### Employees by employment relationship

6,000 Employees<sup>1</sup>

Seasonal workers<sup>2</sup> 19% ■



■ 81% Permanent employees

<sup>1</sup> Average headcount

<sup>2</sup> No distinction is made between permanent and temporary seasonal workers.



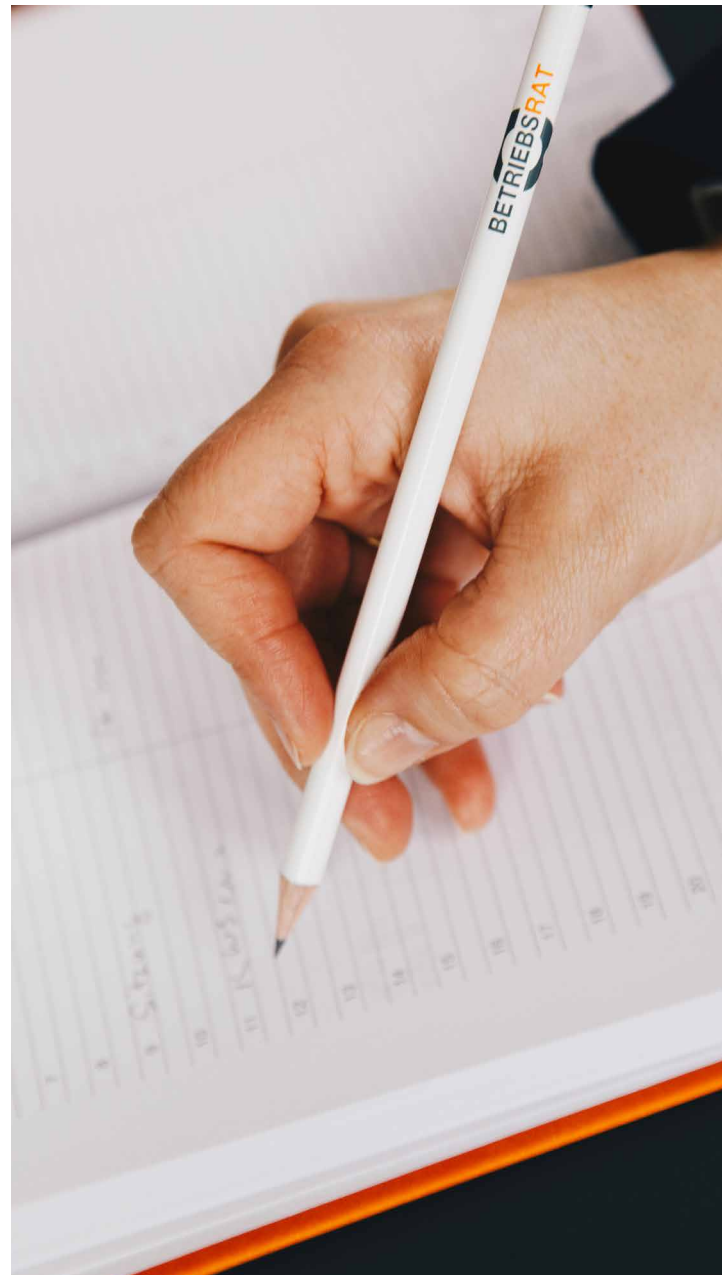
## Internal dialogue and collective representation of interests

407/103

Open and trusted dialogue is of great importance at KWS globally. The respective elected national employee codetermination bodies, the relevant trade unions and management work together and are engaged in regular and close dialogue. Back in 2015, we founded the European Employees' Committee (EEC), a body that represents the interests of European employees and is responsible for cross-border matters within the EU. Since this model for cooperation has proven its value in the past from the perspective of both the employees and the company's management, we retained it after our parent Company changed its legal form to a partnership limited by shares (KWS SAAT SE & Co. KGaA).

Employees' interests in Germany are represented collectively by bodies such as the elected Works Councils, the persons entrusted with representing young people and trainees, and the disabled employees' representatives. They work closely with management in a spirit of trust. There are also employee codetermination bodies in other countries, such as France. In meetings with management, issues are discussed openly and common solutions are found constructively.

In countries where there is no collective employee representative body, we attach importance to mutual respect and open, trusted dialogue with employees. If the workforce wishes to have a collective representative body or such a body is prescribed by law, we support our employees in establishing it.



The Works Council of KWS SAAT SE & Co. KGaA is just one example of collective employee representation at KWS.

### Side note: Compliance with labor standards

412/103

In order to ensure compliance with labor standards, prevent work-related accidents and make sure that our Code of Business Ethics for Suppliers also applies to outside and seasonal workers (see also Responsibility in the Supply Chain on page 27), such requirements are also defined in drafting the employment contracts of personnel service providers, where necessary. Moreover, the local managers exercise their agreed right to examine service providers and their occupational safety conditions.



## Diversity in the Workforce

102-8

### Employees by region<sup>1</sup>

Number of employees 6,000



### Employees by function<sup>1</sup>

Number of employees 6,000



<sup>1</sup> Excluding trainees and interns

### Demographic data

102-8, 405-1

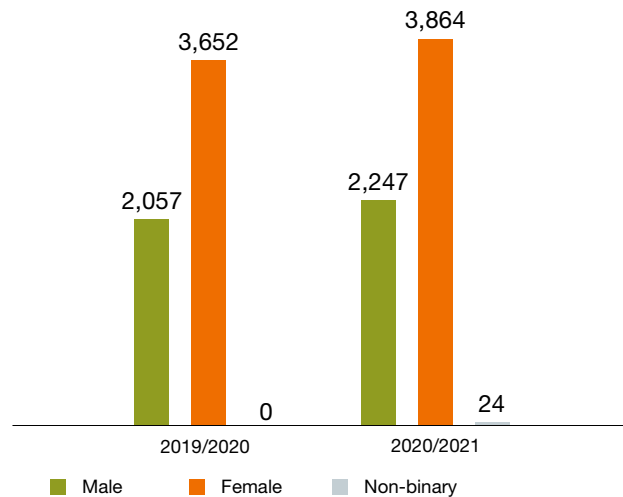
The KWS Group employed an average of 6,000<sup>1</sup> (5,709) people in the fiscal year, a year-on-year increase of around 5%. A total of 2,323 (2,236), or around 39% (39%) of the workforce, were employed in Germany. Once again, the area that accounted for the most employees was Research & Development, which made up 35.4% (36.2%) of the total workforce.

As in previous years, the workforce's age structure was evenly balanced. Around 59% of employees are aged 30 to 50, around 20% are younger than 30 and around 21% are older than 50. The average age of our workforce in the reporting period was approximately 40 years.

405-1

### Employees by gender<sup>1</sup>

Average number of employees: 6,135



<sup>1</sup> Average headcount including participants in training programs

<sup>1</sup> Excluding trainees and interns



## 405-1

**Employees by age group<sup>1</sup>**

KWS Group	2020/2021	2019/2020	2018/2019
< 30	20.5%	20.3%	21.0%
30–50	58.5%	58.6%	57.5%
> 50	21.0%	21.0%	21.5%

Germany	2020/2021	2019/2020	2018/2019
< 30	21.8%	19.9%	20.5%
30–50	54.6%	55.6%	53.7%
> 50	23.6%	24.5%	25.9%

<sup>1</sup> Average headcount**Diversity and anti-discrimination**

405/103, 406/103

KWS operates in more than 70 countries. This international range means more than having a variety of languages at KWS. People from different cultures, age groups and disciplines and with different personal backgrounds work together at our Company and thus enrich our corporate culture. We believe that diversity is a crucial success and competitive factor for KWS, not only in product development and marketing, but also in developing the potential of all employees. Diversity encourages creativity and innovativeness and strengthens our understanding of markets and different cultures. Moreover, the development of intercultural competence enables us to operate successfully and grow further in other regions and markets around the world. The principles of diversity also determine how we assemble our teams, develop leaders, and create and maintain a company that values every individual.

In order to live and practice diversity, we also oppose any form of discrimination. KWS is committed to equal opportunities and rights for all employees, regardless of gender, religion or belief, ethnic origin, age, disability, skin color, language or sexual orientation. Our anti-discrimination guidelines and rules to ensure mutual respect among employees are a firm part of the internal Code of Business Ethics, which is binding on all

employees (see also Corporate Governance & Compliance on pages 22 et seqq). We work continuously to further strengthen diversity at the KWS Group.

**Fair compensation**

102-41, 405/103

The overall compensation package for KWS employees takes into account their individual expertise and local market circumstances. It consists of a basic salary, social benefits, performance-related payment components (if applicable) and – where applicable – Employee Stock Purchase Plans where staff can buy shares in the Company.

Equal pay for equal work while considering individual expertise, professional experience and local market conditions is an important principle of our compensation policy and is included in our Group standards. Among other things, this principle ensures that employees are paid the same for performing the same tasks with comparable expertise and professional experience at the individual locations. This principle is also enshrined in our collective bargaining agreements.

Over half of our employees worldwide are covered by collective bargaining agreements. The figure in Germany is more than 96%.





### Side note: Collective bargaining at KWS

407/103

An agreement on revising the Company collective bargaining agreement was reached between the construction, agricultural and environmental workers' union Bauen-Agrar-Umwelt (IG BAU) and KWS SAAT SE & Co. KGaA in the reporting period. The new collective bargaining agreement was concluded in February and came into effect on July 1, 2021. The aim of this revision was to review the existing provisions dating from 2009 and, on the basis of current and future requirements relating to the reality of work at KWS, jointly draft arrangements that reflect future demands. The result is an agreement that suitably takes into account the needs of our employees and also the company's interests.

A particular focus of the agreement is the issues of working time and the redesign of the working time accounts, with the goal of achieving greater flexibility, for example in responding to seasonal fluctuations. At the same time, we felt it was important to encourage the reduction of overtime and thus enable our employees to have more rest periods and time off in lieu.

### Women in management positions

405/103, 405-1

We aim to promote diversity at all levels of the KWS Group. In 2017, the Executive Board defined target figures for the ratio of women in the two management tiers below it and the date by which they must be achieved in accordance with Section 76 (4) of the German Stock Corporation Act (AktG). They are a ratio of at least 15% in management tier 1 (top management) and of at least 10% in management tier 2 (senior management) by June 30, 2022.

At June 30, 2020, the ratio of female employees in management tier 1 had decrease from 18.2% to 16.7% while the figure in management tier 2 rose from 20.3% to 23.7%. As at the end of fiscal 2019/2020, the current proportions of women are therefore higher than the set target quotas.

We are currently establishing a means of ascertaining international key figures on diversity for further parts of the organization and plan to report on them in the coming fiscal years.

### Family-friendly spirit

405/103

KWS is committed to family-friendly work. The life situations of our employees differ greatly and are highly individual – and so they also have different needs regarding work and the workplace.

One of the factors that helps our employees achieve a good work-life balance is our wide range of working time models. Flextime models are available to all employees. Mobile working is also possible for employees, if that can be reconciled with their activity.

The seasonal nature of our business means that fixed working times are imperative in production, and mobile working is thus not possible there. Flexible working time models in the season cannot be offered here either. However, the employees there can gradually reduce the hours they have accumulated in their time account after labor-intensive periods.

Apart from highly flexible working models, which can also include flexible arrangements on where and when employees can work, various part-time models are also used. Around 10% of our employees worldwide (Germany: 20%) worked part-time in fiscal 2020/2021.



## Recruitment and Qualification

401/103, 404/103

KWS is a leading global seed company with an international footprint and continuous growth. It is particularly important for us to recruit and qualify suitable employees. However, implementation of this must reflect local variations, such as differences in the shortage of skilled workers, for example in handicraft trades in France or financial professions in Berlin. Moreover, the broad range of employees we wish to attract means we have to apply different recruiting and personnel marketing approaches.

Our Human Resources department has developed diverse strategies and programs to recruit and develop the right colleagues for us. A standard global recruitment process was created, for example, and a global recruitment team was established and uses the latest recruiting platform SAP “SuccessFactors.” We aim to leave a very good initial impression of KWS as a potential employer among candidates and thus ensure excellent recruitment with our selection process and with the tools and standards we use in it.

### Development of global networks

102-43, 401/103, 404/103

Establishing networks and nurturing contacts with relevant professional groups are key elements of our HR strategy. That is why we participate in career fairs and events and nurture close relationships with universities worldwide. Due to the fact that we established the new Vegetables Segment, we recently strengthened our cooperation with institutions that have expertise in the field of vegetables, such as Wageningen University. In the reporting period, we mainly conducted our activities virtually due to the pandemic.

To strengthen our position in science, we are increasingly focusing on a direct exchange with universities and research institutions through the Global Lead of Scientific Affairs in Research & Development. The aim is to strengthen cooperation with these institutions in

order to intensify employee recruitment. We also give school pupils and students the chance to gain initial insights into working life at KWS by means of internships or excursions, or by giving them the opportunity to write their degree theses at our Company. That also allows us to present ourselves as an attractive employer to the next generation of career starters.

In addition, we continue to use digital and traditional channels to target potential applicants and talents. Among other things, we use tailored campaigns for this purpose, for example via social networks such as LinkedIn and Facebook.

### Vocational training and induction programs

401/103, 404/103

The vocational training we offer helps our employees develop practical skills. There are diverse options to choose from – from vocational training to a dual course of study. Under Germany’s dual training system, our instructors and trainee supervisors support trainees in seven different fields of training on their path to gaining their vocational qualifications. We currently offer university graduates three springboards for starting their careers: the Breeders Academy, which is geared

At KWS, trainees and young professionals can choose from a wide variety of training paths.





specifically to plant breeding, the research program “Growing with Science” and the program “Growing into the future,” which has an entrepreneurial orientation. We also assist talented individuals early on by offering student scholarships at five German universities, and offer induction programs for those without a university degree.

We again accompanied many young people successfully on their path to gaining vocational qualifications in the reporting period by means of various programs. The apprenticeship ratio at our German locations, which describes the number of participants in training programs relative to our total workforce, was around 5%.

Our diverse training programs help KWS enhance its attractiveness as an employer. In 2021, for example, KWS ranked 43rd (59th in 2020) in the list of the 100 most popular employers in Germany in the field of natural sciences in the annual independent ranking by the consulting firm Universum.

### Continuous qualification for all

404/103, 404-2

KWS’ continuing commercial success is founded not only on its employees’ commitment, entrepreneurial freedom and satisfaction, but also on their personal skills and professional qualifications. Since our global growth and regional markets mean our employees constantly face new requirements and need to be highly adaptive, diverse qualification offerings are particularly relevant. We have implemented various central and local development programs aimed at specific target groups to tackle that challenge. During annual employee-supervisor dialogues, tailored continuing education measures and career development reviews are defined.

Our diverse range of education and development offerings is continuously optimized and supports various learning objectives. Apart from knowledge transfer in various subject areas and language courses, intercultural training, the development of soft skills and international development of (junior) executive staff are gaining in importance, for instance.

To support the further transition to our GLOBE structure and thus the implementation of the new role of Business Partner, we have initiated a Business Partner Academy. It offers development measures focusing on the role of Business Partner and required key competencies and on imparting more in-depth knowledge of KWS’ business. Almost 50 Business Partners have embarked on the Academy’s first cycle since October 2020.

### Qualified leadership

404/103, 404-2

Since we are particularly committed to having all our employees receive qualified leadership and support from their managers, we developed a competence model defining the core competencies of managers at KWS a number of years ago. We keep on developing it further.

In the International Development Program, we offer young talents with high management potential from all areas of the Company the chance to gain experience in an international team and in project work, and to develop their management and leadership skills. Each participant is supported by an experienced internal mentor during the program’s eight-month term. A total of 24 persons successfully took part in the International Development Program in the reporting period. The accompanying events were held virtually for the first time in the past fiscal year due to the restrictions imposed by the pandemic.

#### Participants in training programs in Germany

Average for the year	2020/2021	2019/2020	2018/2019
School students	18.2	18.0	16.0
Apprentices	76.2	77.0	76.3
Interns	22.8	22.5	13.8
Trainees	7.3	7.5	7.3



More than 100 employees participated in modules in our management development program, such as the new module “Leading Self,” or “Leading Individuals,” the second module we launched as part of the program in 2018. On the intensive three-day training course, we prepare new executives for their first management posts, enable them to build an international network and create a common understanding of leadership based on our competence model. We are currently developing “Leading Leaders,” a program for executive employees that will be introduced in fiscal 2021/2022.

In October 2020, we launched a program specifically aimed at developing managers in our research & development organization. Its focus is on promoting innovation and flexibility. Around 200 managers are to take part in the program over a period of three years. Its contents include issues such as feedback and innovation culture, leadership presence in uncertain times and conflict management.

#### Further development of HR activities

404/103

At the end of 2019, a project team was tasked with implementing the SAP learning management system “SuccessFactors Learning,” which we rolled out at our German locations in the reporting period. We are currently preparing its rollout to our international

locations as part of a continuous process over the next three fiscal years. The system pools all our training offerings on a permanently available platform, enables regular expansion and will thus be available to all our employees worldwide.

#### Long-standing trust of our employees

401-1

The average length of service of employees at the Group level is approximately nine years, which shows that our employees feel at home at KWS and are satisfied with us as an employer. In the reporting period, the fluctuation rate was 9.6% globally and the new hire rate was 11.1%.

KWS' success is founded on its committed employees, whose dedication and efforts are reflected in a passion for their work, a desire to achieve and their deep overall attachment to KWS, for example. In order to involve our employees actively in shaping their working environment, we have piloted a feedback tool at our Berlin location. Using the tool, anonymous feedback is gathered on a weekly basis and its results are shared with all employees, HR Business Partners, the Works Council and managers in Berlin. In this way, positive feedback and concrete suggestions for improvement can be communicated as the basis for starting dialogue and discussing necessary measures.

401-1

#### Employment details for our workforce<sup>1</sup>

Average for the year		2020/2021	2019/2020	2018/2019
Rate of new employee hires (in %) <sup>2</sup>	Globally	11.1	8	8
Rate of employee turnover (in %) <sup>3</sup>	Globally	9.6	9.5	7.6
	(Germany)	(5.8)	(4.6)	(3.5)
Length of service (in years)	Globally	9.0	9.0 <sup>4</sup>	9.4 <sup>4</sup>
	(Germany)	(11.2)	(11.6) <sup>4</sup>	(12.5) <sup>4</sup>

<sup>1</sup> Excluding seasonal workers

<sup>2</sup> Ratio to the average total workforce

<sup>3</sup> Amount of employees that left the Company during the fiscal year relative to total employment

<sup>4</sup> Correction to the previous year's figures from the 2019/2020 Sustainability Report





## Occupational Health and Safety

403/103, 403-1

KWS aims to ensure that all employees have a safe and healthy working environment. Our HSE management system (see Environmental Management at KWS on page 38) offers the entire KWS Group a consistent framework for achieving that goal. It applies to all employees worldwide and also covers seasonal and temporary workers. The contents relating to occupational health and safety in our HSE management system are based on German occupational safety regulations and the ILO standards.

### Organization of work safety

403-2, 403-3, 403-4

There are local HSE managers at all our production sites and breeding locations worldwide to implement the regulations and monitor compliance with them. The HSE managers are supported in part by work safety experts and external specialists. Depending on the country, they include occupational physicians, who are on hand at the location to give medical advice and provide healthcare, for example. As part of local management of the pandemic, the HSE managers together with location management are a key pillar in protecting the health of our employees.

In Germany, current safety-related issues are discussed in our work safety committees in cooperation with occupational physicians, the Works Council and Company management. These committees meet every quarter, and employees and the employer are equally represented, in accordance with the German Occupational Safety Act (ArbSichG). Their meetings were held online in fiscal 2020/2021 due to the ongoing pandemic.

We also involve our employees directly in HSE management, for example through participation in inspections to analyze risks at our locations.

### Risk assessment and minimization

403-2, 403-4, 403-5

As with our regulations relating to environmental protection, the work safety regulations are documented

in our HSE Manual. It includes regulations relating to risk assessments, instruction, personal protective equipment and what to do in the event of an emergency. Local risk assessments ensure that potential risks are identified and then mitigated by appropriate measures. The identified work safety risks are assessed, taking into account the likelihood of their occurring and the potential severity of the damage. Suitable measures to minimize the risks are then specified based on a defined hierarchy of measures. They consist of technical, organizational or personal protective measures, for example. The identified risks to the health and safety of our employees at KWS include noise and the risk of stumbling or falling.

The workplace assessments prescribed by law in Germany will, in future, also include analyses relating to potential physical strains and appropriate measures to prevent them.

Risk assessments are reviewed and, if necessary, updated if there are significant changes in operations, for example when new facilities are commissioned, and after incidents and occupational accidents. Regular inspections of our German locations are also conducted together with representatives of the occupational accident social insurance fund.

Managers, or other delegated persons, are responsible for giving employees regular training on relevant safety issues. The frequency of training depends on the law in the country in question and the identified risk situation. Training is usually provided at least once a year and in general when any changes are made to processes or task areas. The topics that must be covered as a minimum are derived from our internal HSE regulations. We intend to provide managers with support in their tasks in the future by means of global general training software. That will enable better planning and transparent documentation of work safety training. Worldwide expansion of the training platform is the responsibility of the Human Resources department and will still take some time. It has been available in initial countries since the reporting period.

**Side note: Update on pandemic management**

403/103

In the reporting period, KWS continued with the pandemic management activities it initiated the year before. In order to protect our employees' health, measures appropriate to the local situation are in place at all locations worldwide. A central pandemic management team still convenes every day. Apart from local statutory requirements, we also continue to implement uniform internal regulations, such as on international travel. Our regulations are developed and communicated on an ongoing basis because of the large differences in the pandemic's progression in the various regions. KWS does not, at present, differentiate between vaccinated and unvaccinated personnel; the protective measures apply to all employees alike.

**Preventive healthcare**

403-6

Apart from measures under our HSE management system, there are other preventive healthcare activities for our employees. The various measures to promote their well-being at our German locations are pooled in the "KWS Healthy Working World" program. Under the slogan "Creating Awareness," a fitness studio accompanies entire departments and specifically helps in preventing and reducing incorrect posture that may arise as a result of desk jobs or heavy physical work in production, for example.

Checkups, dietary advice and sports courses, as well as the chance to relax at the company's own rest home, are also offered. There is the opportunity to obtain "JobRad", a leased bicycle, or join fitness studios at special terms.

**Work safety incidents and days lost in the reporting period**

403-9

As announced, we revised and expanded the central recording of occupational accidents at the KWS Group in the reporting period. As part of that, we rolled out a new process relating to a new recording system, with the objective of gaining greater transparency globally on the number of accidents and days lost in all areas of the Company. All occupational accidents and work-related

injuries and diseases from all areas of the Company worldwide are recorded. That also covers temporary employees, such as our seasonal workers.

Worldwide, we recorded a total of 229 work safety incidents in eleven countries; they resulted in 1,594 lost days. An average of 15 days were lost per incident. In South America, an employee also died while driving to work. The new system of recording the figures means it is not possible to compare them with those for the previous year. It should also be noted that, due to the pandemic, employees were not required to be physically present at the Company, where that was possible. That may have had a positive impact on the number of occupational accidents.

403-9

**Work safety incidents and days lost**

	2020/2021
Work safety incidents	229
Of which lost time incidents	105
Of which fatalities	1
Total days lost	1,594
Average number of days lost per incident	15
Countries where accidents are documented	11



Sustainable Management  
at KWS

Product Responsibility

Environmental  
Protection at the  
Company

Social  
Aspects

Social Commitment

# Social Commitment





## Management Approach

### 413/103

As a company that operates internationally, the KWS Group sees itself as a responsible, dependable and transparent member of society. We also want to shoulder responsibility outside our direct business activities and thereby impart our values beyond the Company and to society.

Through our social commitment, we wish to play an active part in society and help enhance the attractiveness of the regions around KWS' locations – to the benefit of our employees and the local population.

Defined fields of activity for our commitment are regional structural support, science and education, art and culture, social welfare, as well as health and sports. A culture of social diversity, creativity and openness is also dear to our heart. The forms of our commitment are diverse and comprise donations and sponsorships or contributing time, knowledge and networks on a non-profit basis. By supporting education and science in the regions around our locations and beyond, we wish to strengthen intellectual development and research in general, but also position ourselves as a potential employer in the eyes of tomorrow's skilled workers. In order to make a lasting impact and be a part of the local structure, we cooperate with other members of the business community and public institutions who likewise contribute to regional development at our locations.

Through its locations, KWS is also involved in economic cooperation and development activities. Our aim in that is to transfer knowledge and ensure food security in regions with a financially weak local population.

### Organization of our social commitment

201/103, 201-1, 413/103

Donations and sponsorship measures are selected, coordinated and budgeted by the respective local KWS companies for the specific location, independently and under their own responsibility.

In addition, Research & Development is responsible for awarding, administering, budgeting and handling university scholarships, subject-specific donations and sponsorship. The relevant departments and segments are responsible for other subject-specific sponsorship.

On the basis of past experience and foreseeable projects, the budget for our social commitment is planned in coordination with the Executive Board. The latter then decides every year on the budget available for the next fiscal year.

Expenditure on donation activities as part of KWS' social commitment, including global development cooperation, totaled around €640,000 in the period under review. Expenditure on sponsoring activities was €0.8 million. Respectively, the KWS Group spent 0.5% and 0.6% of its operating income (EBIT) on social commitment.

### Internal guidelines

413/103, 415/103, 415-1

New internal guidelines on the award of funding were published in the reporting period. They stipulate that organizations can receive funding from KWS once in a fiscal year. Private persons, organizations and companies that have a close business relationship with KWS or ones that discriminate on the basis of gender, age, race, religion or nationality, or support illegal activities, are excluded from receiving funding or other non-commercial assistance from the Company. Support for religious interest groups is permissible only if such assistance is not used to pursue inherently religious purposes, such as missionary work. In principle, we also do not provide funding to political parties or politicians.





## Regional and Supraregional Commitment

413/103

As an international, innovation-driven company, the issues of education and science are particularly dear to our heart. We believe that our society benefits lastingly from top-level science. Our funding therefore focuses on these areas, both regionally and supraregionally. At the same time, we want to make a mark regionally through further focal activities as part of our social commitment and make a lasting contribution by promoting forward-looking projects and initiatives.

### Knowledge enhancement

413/103

As a company that conducts research, we aim to encourage and help young (agricultural) scientists. Apart from the fact that diverse departments at the Company offer scholarships at various universities, we are also committed to helping schools.

For example, KWS has for many years supported the creation of gardens at primary schools in Einbeck and Bergen in cooperation with the non-profit organization Ackerdemia e.V., where the schoolchildren learn how to grow plants, tend a garden and use or sell their harvest.

Seed also plays an important role in  
our social commitment.



A further focus of our funding in the reporting period was on supporting digitization at schools in the Northeim district so as to lastingly enable means of remote teaching and learning. At the initiative of the still-young non-profit organization “MyGatekeeper” from Hanover, with the backing of KWS and in cooperation with Einbeck Council, Northeim District Council and the association Bildungsregion Südniedersachsen e.V., the project “#vernetzteLernregion – Gemeinschaft(lich) gestalten!” (#connectedLearningRegion – Shaping our community together!) was launched, with the common goal of enhancing media competence at schools and creating a modern learning environment for students.

KWS LOCHOW GmbH awards the KWS Ferdinand von Lochow Scholarship every year to young and committed agricultural science students. In the reporting period, this year's scholarship holder from Osnabrück University of Applied Sciences completed her assignment at the Business Unit Cereals, working on a project relating to the use of water in agriculture, also in dialogue with colleagues from various KWS countries such as Brazil, Ukraine and Poland.

In the North America region, we supported social activities, especially for children, and various schools, universities and youth organizations. A particular focus of that was on supporting science and agriculture. Most of the activities were in rural communities. That help not only benefited the recipients directly, but also the regions in question indirectly.

### Projects from the field of social welfare and health

413/103

KWS in Einbeck supports social initiatives that help people of all ages, as well as medical institutions there, such as Einbeck's BürgerSpital hospital. In the reporting period, we helped it procure a surgical microscope and acquire various technical elements for the neurosurgery department.



In Russia, the focus was on supporting the Doing Good Together Fund, which specifically helps people in difficult life situations and families with children who have impairments, for example by paying the costs of treatment and rehabilitation, as well as by purchasing special medical equipment. Apart from financial support from the companies, employees also displayed their personal commitment by participating in the annual Charity Marathon.

### Promotion of art and culture

413/103

The promotion of culture is a key component of KWS' commitment in Einbeck. We help strengthen the cultural scene in the town and region by supporting various initiatives and projects, since we believe that culture and cultural education are important in helping people develop their personality and participate in social and cultural life.

Apart from presenting art in the Biotechnology Center on the Einbeck campus, since 2015 KWS has promoted art and culture in the shape of the KWS Art Lounge NEWCOMER, which is located in the center of Einbeck and stages up to four exhibitions a year. The gallery gives young and budding artists the chance to gain initial, or gather further, experience with exhibitions. In the spring of 2021, the KWS Art Lounge NEWCOMER was supplemented by the NEWCOMER KWS Art Workshop, which gives employees and visitors the opportunity to pursue their creative urges in diverse ways.

Apart from the company's own commitment, it also supported special cultural events. They included the first Einbeck Culture Power Days, a festival that could only be held virtually due to the coronavirus pandemic, and the diverse projects of the association Kulturfreunde Einbeck e.V. and Gandersheim Cathedral Festival.

### Our "Capacity Development" projects in Peru and Ethiopia

304/103, 203/103, 203-2

Since 2012, KWS has been continuously involved in Peru and Ethiopia, in particular with the aim of supporting

young researchers in the conservation of plant genetic resources, plant breeding and the establishment of seed systems. KWS implements the regulations stipulated in the International Treaty on Plant Genetic Resources for Food and Agriculture as part of that. The focus is on corn and quinoa in Peru and on barley and wheat in Ethiopia.

#### Peru:

Due to the fact that Peru has altitudes ranging from zero to more than 6,000 meters above sea level, its climate and agricultural production systems differ greatly. Peruvian smallholders therefore grow a large variety of quinoa, corn and other crops. However, climate change and environmental degradation are threatening this plant diversity. Moreover, young people are moving to the cities, meaning there is the risk that traditional know-how on the cultivation, use and conservation of this plant diversity may be lost. The consequences are a chronic food shortage and widespread malnutrition, especially in remote regions. In order to increase food security for Peruvian smallholders, KWS is focusing on three key goals: promoting the development of new corn and quinoa varieties, preserving genetic diversity sustainably, and training young Peruvian scientists.

#### Ethiopia:

Ethiopia is a center of diversity for various crop species, including barley. In view of the variable climate and environmental degeneration, it is extremely important to preserve this precious diversity for future generations. Smallholders dominate the Ethiopian agricultural sector and need rugged varieties that are highly resistant to prevailing abiotic and biotic stress factors, such as drought or fungal diseases. However, there is only limited availability of such rugged varieties, and smallholders also have limited access to quality seed. KWS is therefore focusing on the following goals in Ethiopia: professionalization of the national gene bank at the Ethiopian Biodiversity Institute (EBI), more efficient design of the plant breeding programs at the Ethiopian Institute of Agricultural Research (EIAR) with a focus on barley, and improving access to high-quality barley and wheat seed for smallholders.



## GRI Content Index

### General Disclosures

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GRI 102-2	Activities, brands, products, and services	6
GRI 102-3	Location of headquarters	6
GRI 102-4	Location of operations	6
GRI 102-5	Ownership and legal form	6
GRI 102-6	Markets served	6
GRI 102-7	Scale of the organization	6
GRI 102-8	Information on employees and other workers	5, 47, 49
GRI 102-9	Supply chain	20, 26
GRI 102-10	Significant changes to the organization and its supply chain	There were no significant changes in KWS' structure, ownership or supply chains in the period under review.
GRI 102-11	Precautionary Principle or approach	32
GRI 102-12	External initiatives	17, 21, 22
GRI 102-13	Membership of associations	21, 70

#### Strategy

Disclosure	Title	Reference or comment
GRI 102-14	Statement from senior decision-maker	3

#### Ethics and Integrity

Disclosure	Title	Reference or comment
GRI 102-16	Values, principles, standards, and norms of behavior	9, 24, 27

**Governance**

Disclosure	Title	Reference or comment
GRI 102-18	Governance structure	17, 22

**Stakeholder Engagement**

Disclosure	Title	Reference or comment
GRI 102-40	List of stakeholder groups	20
GRI 102-41	Collective bargaining agreements	50
GRI 102-42	Identifying and selecting stakeholders	20
GRI 102-43	Approach to stakeholder engagement	18, 20, 21, 52
GRI 102-44	Key topics and concerns raised	20, 29

**Reporting Practice**

Disclosure	Title	Reference or comment
GRI 102-45	Entities included in the consolidated financial statements	5
GRI 102-46	Defining report content and topic Boundaries	18
GRI 102-47	List of material topics	18
GRI 102-48	Restatements of information	5
GRI 102-49	Changes in reporting	5
GRI 102-50	Reporting period	5
GRI 102-51	Date of most recent report	5
GRI 102-52	Reporting cycle	5
GRI 102-53	Contact point for questions regarding the report	5
GRI 102-54	Claims of reporting in accordance with the GRI Standards	5
GRI 102-55	GRI content index	61–69
GRI 102-56	External assurance	No external verification of the information presented in the report has taken place.

**Economic****Economic Performance (2016)**

Disclosure	Title	Reference or comment
GRI 201/103	Management approach disclosures	9, 12, 23, 29, 58
GRI 201-1	Direct economic value generated and distributed	7, 12, 58



**Indirect Economic Impacts (2016)**

Disclosure	Title	Reference or comment
GRI 203/103	Management approach disclosures	11, 12, 27, 29, 43, 60
GRI 203-2	Significant indirect economic impacts	11, 12, 29, 43, 60

**Procurement Practices (2016)**

Disclosure	Title	Reference or comment
GRI 204/103	Management approach disclosures	26
GRI 204-1	Proportion of spending on local suppliers	The percentage of procurement spending on local suppliers has not been calculated to date. We aim to implement a formal process for analyzing that in the future.

**Anti-corruption (2016)**

Disclosure	Title	Reference or comment
GRI 205/103	Management approach disclosures	23, 24
GRI 205-2	Communication and training about anti-corruption policies and procedures	24, 27
GRI 205-3	Confirmed incidents of corruption and actions taken	25

**Anti-competitive Behavior**

Disclosure	Title	Reference or comment
GRI 206/103	Management approach disclosures	23, 24, 25, 27
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	25

**Environmental****Materials (2016)**

Disclosure	Title	Reference or comment
GRI 301/103	Management approach disclosures	Work on a system for central recording of materials used by weight and volume is currently in progress.
GRI 301-1	Materials used by weight or volume	Work on a system for central recording of materials used by weight and volume is currently in progress.

**Energy (2016)**

Disclosure	Title	Reference or comment
GRI 302/103	Management approach disclosures	15, 38, 39
GRI 302-1	Energy consumption within the organization	
GRI 302-2	Energy consumption outside of the organization	40

**Water and Effluents (2018)**

Disclosure	Title	Reference or comment
GRI 303/103	Management approach disclosures	15, 38, 39, 40, 41
GRI 303-1	Interactions with water as a shared resource	40
GRI 303-2	Management of water discharge-related impacts	41
GRI 303-3	Water withdrawal	39, 41

**Biodiversity (2016)**

Disclosure	Title	Reference or comment
GRI 304/103	Management approach disclosures	15, 38, 42, 43, 60
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	33, 42

**Emissions (2016)**

Disclosure	Title	Reference or comment
GRI 305/103	Management approach disclosures	15, 38, 39
GRI 305-1	Direct (Scope 1) GHG emissions	40
GRI 305-2	Indirect (Scope 2) GHG emissions	40

**Effluents and Waste (2016)**

Disclosure	Title	Reference or comment
GRI 306/103	Management approach disclosures	38, 41
GRI 306-2	Waste by type and disposal method	Work on a system for central recording of waste by type and disposal method is currently in progress.

**Environmental Compliance (2016)**

Disclosure	Title	Reference or comment
GRI 307/103	Management approach disclosures	23, 24, 25
GRI 307-1	Non-compliance with environmental laws and regulations	25

**Supplier Environmental Assessment (2016)**

Disclosure	Title	Reference or comment
GRI 308/103	Management approach disclosures	27
GRI 308-1	New suppliers that were screened using environmental criteria	There has not been a concrete screening of suppliers on the basis of environmental or social criteria to date. A formal process is currently being rolled out.

**Social****Employment (2016)**

Disclosure	Title	Reference or comment
GRI 401/103	Management approach disclosures	16, 52
GRI 401-1	New employee hires and employee turnover	54

**Occupational Health and Safety (2018)**

Disclosure	Title	Reference or comment
GRI 403/103	Management approach disclosures	16, 23, 24, 25, 47, 55, 56
GRI 403-1	Occupational health and safety management system	55
GRI 403-2	Hazard identification, risk assessment, and incident investigation	55
GRI 403-3	Occupational health services	55
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	55
GRI 403-5	Worker training on occupational health and safety	55
GRI 403-6	Promotion of worker health	56
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	27
GRI 403-9	Work-related injuries	56

**Training and Education (2016)**

Disclosure	Title	Reference or comment
GRI 404/103	Management approach disclosures	52, 53, 54
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	53

**Diversity and Equal Opportunity (2016)**

Disclosure	Title	Reference or comment
GRI 405/103	Management approach disclosures	22, 47, 50, 51
GRI 405-1	Diversity of governance bodies and employees	22, 49, 50, 51

**Non-discrimination (2016)**

Disclosure	Title	Reference or comment
GRI 406/103	Management approach disclosures	27, 47, 50
GRI 406-1	Incidents of discrimination and corrective actions taken	Any incidents of discrimination are currently reported and handled at the local level. We aim to record and report on them internationally.

**Freedom of Association and Collective Bargaining (2016)**

Disclosure	Title	Reference or comment
GRI 407/103	Management approach disclosures	27, 48, 51
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Risks relating to freedom of association and assembly at our own locations or at our suppliers have not been systematically investigated to date. The local managers were not aware of any such risks in the reporting period.

**Child Labor (2016)**

Disclosure	Title	Reference or comment
GRI 408/103	Management approach disclosures	27, 47
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	Risks relating to child labor at our own locations or at our suppliers have not been systematically investigated to date. The local managers were not aware of any such risks in the reporting period.



**Forced or Compulsory Labor (2016)**

Disclosure	Title	Reference or comment
GRI 409/103	Management approach disclosures	27, 47
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Risks relating to forced or compulsory labor at our own locations or at our suppliers have not been systematically investigated to date. The local managers were not aware of any such risks in the reporting period.

**Rights of Indigenous Peoples (2016)**

Disclosure	Title	Reference or comment
GRI 411/103	Management approach disclosures	35
GRI 411-1	Incidents of violations involving rights of indigenous peoples	35

**Human Rights Assessment (2016)**

Disclosure	Title	Reference or comment
GRI 412/103	Management approach disclosures	23, 24, 25, 27, 48
GRI 412-2	Employee training on human rights policies or procedures	24 Employee groups for whom human rights issues are of particular relevance due to their field of activity are given compliance training on these issues. We cannot currently report the percentage figures for employees who have undergone such training given its selective nature and the fact that the train-the-trainer principle is applied.

**Local Communities (2016)**

Disclosure	Title	Reference or comment
GRI 413/103	Management approach disclosures	16, 58, 59, 60
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	We are currently establishing a system for central recording of the operations where local community engagement measures, impact assessments, and/or development programs have been implemented.

**Supplier Social Assessment (2016)**

Disclosure	Title	Reference or comment
GRI 414/103	Management approach disclosures	27
GRI 414-1	New suppliers that were screened using social criteria	There has not been a concrete screening of suppliers on the basis of environmental or social criteria to date. A formal process is currently being rolled out.

**Public Policy (2016)**

Disclosure	Title	Reference or comment
GRI 415/103	Management approach disclosures	58
GRI 415-1	Political contributions	58

**Customer Health and Safety (2016)**

Disclosure	Title	Reference or comment
GRI 416/103	Management approach disclosures	32, 33, 34
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	34

**Marketing and Labeling (2016)**

Disclosure	Title	Reference or comment
GRI 417/103	Management approach disclosures	34
GRI 417-1	Requirements for product and service information and labeling	34

**Socioeconomic Compliance (2016)**

Disclosure	Title	Reference or comment
GRI 419/103	Management approach disclosures	23, 24, 25, 47
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	25



## Other material topics

## Sustainable Product Use

Disclosure	Title	Reference or comment
[No GRI reference available]	Management approach	11, 43

## Annex

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## List of sales markets

- Albania
- Algeria
- Argentina
- Armenia
- Austria
- Azerbaijan
- Belarus
- Belgium
- Brazil
- Bulgaria
- Canada
- Chile
- China
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Egypt
- Estonia
- Finland
- France
- Georgia
- Germany
- Greece
- Hungary
- India
- Iran
- Iraq
- Ireland
- Israel
- Italy
- Japan
- Kazakhstan
- Kyrgyzstan
- Latvia
- Lebanon
- Libya
- Lithuania
- Luxembourg
- Moldavia
- Mongolia
- Morocco
- Netherlands
- New Zealand
- North Macedonia
- Norway
- Pakistan
- Poland
- Portugal
- Romania
- Russia
- Serbia
- Slovakia
- Slovenia
- Spain
- Sri Lanka
- Sudan
- Sweden
- Switzerland
- Thailand
- Tunisia
- Turkey
- UK
- Ukraine
- Uruguay
- U.S.
- Uzbekistan



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**List of significant memberships**

Name of the organization	KWS represented in management bodies	Participation in other bodies	Project work	Substantial funding of the organization
Agricultural Industries Confederation Ltd. (AIC)	X			
American Seed Trade Association (ASTA)		X		
Asociación Semilleros Argentinos (ASA) (Association of Argentinean Seed Producers)	X			
ASSOSEMENTI – Associazione Italiana Sementi	X			
Bioscience for Industry Strategy Panel (BBSRC)		X		
British Society of Plant Breeders (BSPB)	X			
Bundesverband Deutscher Pflanzenzüchter e. V. (BDP) (German Plant Breeders Association)	X	X	X	
EuropaBio		X		
Euroseeds (previously ESA)	X	X	X	X
Excellence Through Stewardship (ETS)	X			
Fonds de Soutien à l'Obtention Végétale (FSOV) (Plant Variety Support Fund)		X		
Forum Moderne Landwirtschaft (Modern Agriculture Forum)		X		X
Gemeinschaft zur Förderung von Pflanzeninnovation e. V. (GFPi) (German Association for the Promotion of Plant Innovations)	X	X	X	
Innovate UK KTN Plant Sector Advisory Board	X			
International Seed Federation (ISF)	X	X		
Plantum		X		
Polska Izba Nasienna (PIN) (Polish Seed Association)	X			
Saatgut-Treuhandverwaltungs-GmbH (STV)	X			
Seed Committee at the Association of European Businesses	X			
Société d'Intérêt Collectif Agricole des Obtenteurs de Variétés Végétales (SICASOV) (French Society of Plant Breeders)	X			
Ukrainian Seed Association	X			
Union Française des Semenciers (UFS) (French Association for Seed Companies and Plant Breeders)	X	X		





## About this report

The Sustainability Report can be downloaded on our websites at [www.kws.de](http://www.kws.de) and [www.kws.com](http://www.kws.com). The KWS Group's fiscal year begins on July 1 and ends on June 30. Unless otherwise specified, figures in parentheses relate to the same period or date in the previous year

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## Safe Harbor Statement

This Sustainability Report includes forward-looking statements based on assumptions and estimates. These forward-looking statements may be identified by words such as "forecast," "assume," "believe," "assess," "expect," "intend," "can/may/might," "plan," "should" or similar expressions.

These statements are based on current assessments and forecasts and the information currently available and are subject to certain elements of uncertainty, risks and other factors that may result in significant deviations between expectations and actual circumstances. These factors may be, for example, changes in the overall economic situation, the general statutory and regulatory framework, and the industry.

KWS SAAT SE & Co. KGaA does not warrant that the future development and actual results achieved in the future match the assumptions and estimates expressed in this report and shall not assume any liability if they do not. Forward-looking statements must therefore not be regarded as a guarantee or pledge that the developments or events they describe will actually occur. KWS SAAT SE & Co. KGaA does not intend, nor does it assume any obligation, to update forward-looking statements in order to adapt them to events or developments after the date of this report.

## Cooperation



Schlange, Zamostny & Co. GmbH – consulting



Kirchhoff Consult AG – design concept and realization

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