



Code of Business Ethics for Suppliers

**SEEDING
THE FUTURE**
SINCE 1856



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1. Introduction

KWS is a value-oriented global plant breeding company with a long heritage. As one of the world's leading seed specialists, we develop innovative and sustainable solutions for the future of agriculture, true to our corporate vision of "Seeding the future for generations". Reliability, foresight, independence, and closeness form a stable set of values, which are implemented in our business strategy and along the entire supply chain.

KWS is committed to observing the principles of business ethics and complying with all applicable international and national legal requirements. Ensuring the principles of business ethics and sustainable development both in our own operations and our supply chains is important to us. This Code of Business Ethics for Suppliers (hereinafter referred to as "this Code") has been created for the purpose of ensuring that our suppliers adhere to high standards in working conditions, ethical and legal business practices, and social and environmental requirements. This Code reflects the underlying principles of the KWS Group Code of Business Ethics as well as the internationally accepted environmental, social, and governance standards.



2. Scope and general principles

All legal entities and natural persons who sell or provide goods and/or services to KWS¹ are collectively referred to as "Supplier" in this Code. KWS expects the Supplier to comply with all applicable laws and regulations, in addition to any standards comprised herein. Where compliance with the provisions in this Code would violate local law or collective bargaining agreements, the Supplier is expected to comply with the local requirements while striving to uphold the principles underpinning the relevant section of this Code. If the Supplier believes that it may not fulfil a certain expectation of this Code without violating applicable local law, it shall inform KWS.



3. Human rights in our supply chain

KWS is committed to working with suppliers operating in a manner that is consistent with our values and ethical principles, including respect for human rights as set out in our Human Rights Policy². We expect the Supplier to respect and comply with all internationally recognized human rights norms³.

Prohibition of child labor, protection of young workers

KWS expects the Supplier to prohibit all forms of child labor and comply with the International Labor Organization (ILO) Convention No. 138 and with relevant local laws relating to minimum age, child labor, and protection of young workers. KWS expects the Supplier to not employ any child under the age at which compulsory schooling ends according to the law of the place of employment, provided that the age of employment is at least 15 years, except where the law of the place of employment differs in accordance with Art. 2 (4) and Art. 4 to Art. 8 of ILO Convention No. 138.

KWS expects the Supplier to not employ young workers under the age of 18 in hazardous or night work which is likely to jeopardize their physical or mental health, safety, or morals. Young workers must be above a country's legal age for employment and the age established for completing compulsory education. Particularly, KWS expects the Supplier to comply with ILO Convention No. 182 concerning the prohibition and immediate action for the elimination of the worst forms of child labor.

Prohibition of forced labor and all forms of slavery

KWS expects the Supplier to reject all forms of forced, bonded or involuntary labor and human trafficking in line with ILO Conventions No. 29 and No. 105. The Supplier is expected to not require its employees to surrender their passports or pay a deposit as a condition for employment.

Freedom of association and workers' representation

The Supplier is encouraged to respect employees' right to freedom of association in line with ILO Conventions No. 87 and No. 98. Particularly, the Supplier is encouraged to ensure that its employees are free to form and join trade unions or employee representation bodies. The Supplier is encouraged to recognize the right to collective bargaining and the right of trade unions to be allowed to operate freely and in accordance with the law of the place of employment.

Working time and remuneration

KWS expects the Supplier to ensure that working times at its premises comply with the relevant legislation in the place of employment or with the relevant ILO standards when no national law exists. The Supplier is encouraged to pay living wages and statutory benefits according to the practices and applicable laws at the place of employment. However, the Supplier shall pay at least minimum wage. The Supplier is expected to respect the principle of equal remuneration for men and women workers for work of equal value (ILO Convention No. 100).

¹ For the purpose of this Code KWS shall refer to KWS SAAT SE & Co. KGaA, registered in Einbeck, Germany, as well as all companies in which KWS SAAT SE & Co. KGaA holds an interest of at least 50%, either directly or indirectly, i.e. affiliated enterprises according to Section 15 of the German Stock Corporation Act (Aktiengesetz – AktG).

² <https://www.kws.com/corp/en/company/corporate-responsibility/human-rights-due-diligence/>
³ As set out in the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Fundamental Principles, the relevant ILO Conventions (ILO Conventions No. 29, No. 138, No. 182, No. 100, No. 111, No. 87, No. 98, No. 155), and the respective EU Regulations such as the EU Conflict Minerals Regulation EU 2017/821.

Non-discrimination and equal treatment & diversity

The Supplier is expected to ensure that unequal treatment in employment is prohibited, for example on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion, or belief, unless this is justified by the requirements of the employment (ILO Convention No. 111).



4. Occupational health and safety at work

In line with ILO Convention No. 155, KWS expects the Supplier to ensure occupational safety and health protection at the workplace within the framework of the relevant legislation and obligatory standards at the place of employment. KWS encourages the Supplier to make sure that all safety standards are fulfilled when it comes to the provision and maintenance of the workplace, workstation, and work equipment. Particularly, KWS encourages the Supplier to provide all workers with appropriate personal protective equipment to avoid exposure to chemical, physical, or biological substances. The Supplier is encouraged to provide adequate training and instructions to its employees to prevent work-related accidents and to contribute to a healthy and safe working environment.



5. Ban on hiring or using private or public security forces

KWS expects the Supplier to observe the ban on hiring or using private or public security forces to protect a business project if, due to a lack of instruction or control on the part of the company, the prohibition of torture and cruel, inhuman, or degrading treatment is disregarded during the deployment of security forces, or if life and limb are injured in any other way.



6. Protection of the environment

KWS expects the Supplier to comply with the applicable local laws and regulations regarding the protection of the environment. The Supplier is encouraged to implement appropriate measures to avoid or refrain from using substances and materials with adverse effects on the environment or health within the framework of the applicable laws. Particularly, the Supplier is expected to comply with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal. KWS expects the Supplier to not handle, collect, store, or dispose of waste in a manner that is not environmentally sound pursuant to the regulations in force

in the applicable jurisdiction under the provisions of the Stockholm Convention on Persistent Organic Pollutants (POPs Convention). KWS expects the Supplier to not manufacture mercury-added products, use mercury or mercury compounds in manufacturing processes, or treat mercury waste pursuant to the regulations in force in the applicable jurisdiction under the provisions of the UN Minamata Convention on Mercury.

The Supplier is encouraged to use natural resources in a sustainable and resource-saving manner and aim to minimize negative effects on the environment and health. The Supplier shall avoid causing harmful soil, water or air pollution, harmful noise emissions or excessive water consumption that significantly impairs the natural basis for the preservation and production of food, denies a person access to safe drinking water, or impedes or destroys a person's access to sanitary facilities. To this end, the Supplier is encouraged to establish and apply appropriate environmental management systems. Furthermore, the Supplier is encouraged to commit to the UN Paris Agreement of a CO₂-neutral economy by 2050 and to take appropriate measures to reduce greenhouse gas (GHG) emissions. Upon written request from KWS, the Supplier is expected to provide information on its overall energy consumption so that KWS can improve the environmental performance of its products.



7. Use of critical raw materials

KWS expects the Supplier to use only raw materials whose extraction, production, transport, trade, processing, and export neither directly nor indirectly contribute to human rights abuses, health and safety issues, environmental pollution, or compliance breaches. In line with the EU Conflict Minerals Regulation, the Supplier is expected to establish special due diligence processes in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas insofar as the Supplier is affected by this.



8. Product safety

The Supplier shall observe all applicable product safety provisions and standards, especially standards concerning the safety, labelling, and packaging of products and the use of dangerous substances and materials. The experiences of the Supplier's customers are to be ascertained and considered in order to support safe handling and optimal use of the products.



9. Ethical conduct and business relationships

Anti-corruption

The Supplier shall not tolerate corruption. The Supplier shall ensure that its employees, subcontractors, and representatives do not grant, offer, or accept bribes, unauthorized donations or any improper payments or advantages to or from employees of KWS, customers, business partners, officials, or other third parties. This includes any offer of facilitation payments (e.g., payments to speed up routine administrative procedures to public officials) and any inappropriate benefit such as gifts or invitations that could serve to obtain an improper advantage, manipulate a situation, wrongly influence the recipient, or would create an appearance of impropriety.

Avoiding conflicts of interest

The entrepreneurial actions of KWS are characterized by fairness, transparency, and responsibility. We actively encourage fair competition based on the quality of our products and services. The Supplier shall not tolerate that any business decision might be unduly influenced by any prior or ongoing personal relationship or interest with a KWS employee or manager. The Supplier shall be responsible for avoiding situations and relationships that involve actual or possible conflicts of interests. The appearance of a conflict may be just as damaging to reputation as an actual conflict. Any conflict that arises during the business relationship with KWS shall be made transparent by the Supplier.

Dealing with authorities

The Supplier shall comply strictly with the law in its dealings with governments, authorities, and public bodies, refrain from any corruption and observe the rules of free and fair competition. Furthermore, the Supplier must not try to obstruct potential investigations of authorities. Instead, the Supplier is encouraged to assist public authorities in ongoing investigations wherever necessary and appropriate. However, to safeguard the company's and respective staff members' legitimate interests, consultation with Compliance, the legal department, or a legal counsel is recommended.

Consultants and service providers

When the Supplier selects a service provider of any kind, it is responsible for ensuring that said service provider has a reputation for integrity and ethical business conduct. The Supplier shall take special care that payments to consultants and service providers are made only for services rendered and that payments reflect appropriate proportion to the service rendered.



10. Fair market conduct

Free competition

The Supplier shall comply with applicable competition laws. The Supplier shall not engage in anti-competitive behavior neither with competitors – such as fixing prices or terms and conditions – nor with suppliers or customers, and shall not abuse any dominant market position.

Export control

The Supplier shall comply with all relevant laws and provisions, inter alia with all applicable international sanction and boycott provisions regarding the import and export of goods, services, information, and money transfers. Particularly, the Supplier shall respect all relevant international trade control regulations, including licensing, shipping documentation, duty requirements, import/export documentation, and reporting and record retention requirements of all countries in which it conducts business, and it shall respect applicable embargoes against countries as well as against Specially Designated Nationals. The Supplier shall respect sanction programs that prohibit any transaction with certain designated individuals and organizations, such as terrorist organizations or other criminal enterprises.

Money laundering

The Supplier shall comply with anti-money laundering and terrorist financing laws and regulations as well as with due diligence requirements for the prevention of money laundering and shall be responsible for applying these principles in its business actions. Accordingly, the Supplier shall maintain business relationships only with business partners if it is convinced (i) of their integrity and (ii) that the business partners comply with all relevant legal provisions concerning the prevention of money laundering.

Financial information

Supplier publishes – if relevant – any financial data and reports on its business operations truthfully and in accordance with the applicable legislation and international reporting standards.



11. Data protection, business secrets, and company property

Data protection

The Supplier shall process personal data under the control of KWS only in compliance with applicable laws and for legitimate business purposes. The Supplier shall share personal data only with those who are allowed to access, retain it only for as long as necessary, and ensure that third parties with access to KWS personal data keep the same standards of protection as the Supplier.

The Supplier shall also protect personal data by technical and organizational measures against unauthorized access, use, disclosure, modification, or destruction in accordance with robust information security policies and ensure careful organization and safety of IT processes.

Protection of know-how, patents, industrial and commercial secrets

The Supplier shall protect KWS' know-how and its industrial and commercial secrets. The Supplier shall not pass on such information to any third party or the public without the prior written consent of KWS. The Supplier shall not violate any intellectual property rights of KWS such as trademarks and patents.

Handling company property

The Supplier shall protect KWS' tangible and intangible assets and use them exclusively for the purpose of fulfilling its contractual obligations. The Supplier shall ensure that its employees as well as any third parties (such as subcontractors or service providers) neither damage intentionally or negligently nor embezzle nor misappropriate nor use such assets in a manner contrary to KWS' interests.



12. Supplier due diligence and audit

KWS strongly encourages the Supplier to plan, implement, monitor, and check its human rights due diligence activities and measures regularly. The Supplier is encouraged to carry out risk management activities that are appropriate for its business activities and implement management systems, processes, and guidelines as necessary to comply with the expectations of this Code.

In particular, KWS encourages the Supplier to observe and encourage the above human rights and environmental requirements in relation to its own suppliers. KWS encourages the Supplier to establish its own grievance or complaint mechanism where its employees and/or partners can report concerns or illegal activities related to human rights and environmental rights violations.

KWS may perform audits at the Supplier's facilities to examine adherence to this Code. For the purpose of clarifying risks or infringements in connection with this Code, the Supplier shall tolerate that employees of KWS or authorized third parties carry out appropriate audits at all potentially affected operating sites of the Supplier and inspect the Supplier's risk-relevant documents.



13. Cooperation between KWS and suppliers

The Supplier shall cooperate with KWS in all matters relating to compliance with this Code. The Supplier shall provide the necessary support to enable KWS to fulfil its own legal obligations, in particular develop a concept and schedule for appropriate and effective measures to end any violations or mitigate any effects that have already occurred.



14. Violation of this Code

If any provision of this Code is violated, the Supplier shall immediately take the necessary corrective action to end the violation. If the violation cannot be ended in the foreseeable future, KWS expects the Supplier to cooperate in setting up and implementing appropriate and effective measures to end any violation or mitigate any effects that have already occurred. The Supplier shall document the facts of the case and the measures taken and inform KWS accordingly upon request. Notwithstanding the foregoing, KWS shall have the right to terminate the relationship with the Supplier for good cause without KWS being obliged to pay damages or other compensation if the Supplier seriously (in case of serious violation) or continuously violates any provision of this Code or fails to remedy the situation in an appropriate manner despite a complaint being lodged and a reasonable deadline being set by KWS and does not at the same time take appropriate measures to ensure that the obligations under this Code are fulfilled in the future.



15. Compliance Reporting Platform

KWS has set up a complaint procedure to enable persons to report any rule violations or misconduct by employees of KWS or by our direct suppliers. Anyone who has concrete information or has observed behaviors that violate the principles of this Code, including, in particular, the human rights and environmental obligations, is encouraged to use our Compliance Reporting Platform and file a report via this link:

<https://kwssaat.whistleblowernetwork.net/>.

The Supplier shall provide appropriate information within its own company and to its own direct suppliers about the possibility of reporting (potential) violations via the Compliance Reporting Platform. The Supplier shall inform its employees about the accessibility and possibility to submit anonymous information via the Compliance Reporting Platform in a comprehensible manner and a way that is suitable for the addressees.



16. Supplementary clause

Where stricter obligations have been agreed with a supplier under an individual contract that diverge from the principles in this document, such divergent obligations shall prevail.