

# Germany: Promoting innovation and climate action in agriculture – EIB provides a €200 million loan to KWS SAAT



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- **Funds to be used by German seed company for research and development**

The European Investment Bank (EIB) is providing a €200 million loan to KWS SAAT SE & Co. KGaA, a leading international seed producer based in Germany. KWS uses cutting-edge plant breeding and seed production methods to maximise yields and improve the resilience of plants to diseases, pests and abiotic stresses, such as extreme weather caused by climate change. It has one of the broadest seed portfolios in the industry, comprising 11 of the 13 most important crops, including maize, sugar beet, wheat, rye, rapeseed and vegetables.

The funds provided by the EU bank are to be used by KWS for research and development in the EU. Like KWS, the EIB hopes that these funds will make a valuable contribution to the objectives of the European Green Deal, and in

particular the Farm to Fork strategy developed by the European Commission.

The EIB Vice-President responsible for innovation and for operations in Germany, Ambroise Fayolle, said: "Innovation in new seed varieties is vitally important if we want to ensure agricultural productivity under changing agro-climatic conditions. The only way we will be able to select plants that can withstand changing abiotic and biotic stresses and use nutrients and water from the soil more efficiently is through targeted research. The development of improved, not genetically modified varieties of agricultural crops helps reduce the use of pesticides and fertilisers and significantly contributes to sustainable agriculture. As the EU Climate Bank, we are strongly committed to finance mitigation, adaptation and many other relevant climate related projects. I therefore very much welcome this partnership with KWS to promote the production of new seed varieties for the European market."

KWS's CFO Eva Kienle added: "We are delighted with the European Investment Bank's strong commitment to innovation and climate action in agriculture. A major joint effort is required to respond to the challenges of climate change and climate action in agriculture. As a leading plant breeding company, we invest around €200 million a year in research and development to provide farmers with continuously innovative seed varieties. The attractive conditions of the EIB loan will help us optimise our financing structure even further."

## **KWS**

KWS is a leading international plant breeding company. With over 5 500 employees across 70 countries, it recorded a turnover of €1.1 billion and achieved earnings before interest and taxes (EBIT) of €150 million in the 2018/2019 financial year. KWS is an independent family-owned business that was founded 160 years ago. Its core business is plant breeding and the production and sale of maize, sugar beet, wheat, vegetable and sunflower seeds and rapeseed. KWS uses cutting-edge plant breeding methods to maximise yields and improve the resilience of plants to diseases, pests and abiotic stresses. To help achieve this objective, it invested around €200 million in research and development in the last financial year.