



K+S Aktiengesellschaft Modern Slavery Statement 2019

March 4, 2020

This statement has been published in accordance with Section 54 of the UK Modern Slavery Act 2015. It sets out the steps taken by K+S Aktiengesellschaft and other relevant group companies (K+S) during financial year ending 31 December 2019 to prevent modern slavery and human trafficking in its business and supply chains.

COMPANY PROFILE

K+S is a customer-focused independent supplier of mineral products for the agricultural, industrial, consumer, and community segments. Our approximately 14,000 employees enable farmers to provide nutrition for the world, solutions that keep industries going, improve daily life for consumers and provide safety in winter. We continually meet the growing demand for mineral products from production sites in Europe, North and South America as well as a worldwide sales network. We strive for sustainability because we are deeply committed to our responsibilities to people, environment, communities and economy in the regions in which we operate. Learn more about K+S at www.kpluss.com.

The following statement describes the internal regulations of the K+S Group regarding the prevention of modern slavery and human trafficking, the due diligence processes in place, the handling of potential risks, as well as key performance indicators and trainings related to this topic.

POLICIES

The Company carries out its business in a manner that respects the human rights and dignity of all people who are impacted by our business activities, in other words, employees, contractors and external stakeholders. We are a signatory to the United Nations Global Compact. Our commitment to human rights is based on the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our approach is shaped by the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

In 2019, we included a new section on human rights in the K+S Global Organization Handbook and enshrined respect for human rights in our new Code of Business Conduct & Ethics. We always follow the law. Where local law and international human rights law are not aligned, we will act in accordance with the higher standard. Where they are in conflict, we will adhere to



national law, while seeking ways to respect international human rights to the greatest extent possible

COMPLIANCE AND TRAININGS

Compliance is an integral element of the corporate company culture at K+S based on our ONE K+S Values. It is important to us that “good corporate governance” is experienced on all levels. We understand this to be more than just compliance with statutory regulations, official approvals, regulatory standards acknowledged by the Company, such as our acknowledgement of the UN GLOBAL COMPACT and internal regulations.

We want to encourage entrepreneurial action within clearly defined limits. Breaches of legal regulations and internal regulations are not acceptable from a legal aspect nor in terms of our understanding of compliance. This is why we promptly pursue indications of breaches of legal regulations and internal regulations and clarify the facts. Corrective action is immediately taken against compliance breaches and, if necessary, consistent, appropriate sanctions are imposed.

All employees are familiarized with our ONE K+S Values and internal regulations. Employees receive target group-specific training for special topics (e.g. antitrust law, anti-corruption, money laundering and funding terrorism, handling social media, data security, environmental protection, workplace safety, anti-discrimination and sexual harassment).

K+S is pursuing a zero tolerance policy against corruption and bribery as well as anti-competitive practices to avoid the risks of liability, culpability, loss of reputation as well as financial disadvantages. We have enshrined the principles of our compliance management system in our sustainability goals; they are also measured with a performance indicator and underpinned with measures.

We were able to achieve our goal of having reached all employees by the end of 2019 through communication measures and having trained them appropriately in compliance issues (2018: 71%, of which 100% was communication and 42% training). We were able to train more than 14,900 employees in compliance topics in 2019. Employees on long-term sick leave or employees on parental leave who could not be reached are not included in the calculation. We were able to achieve this value because the employees in the K+S Group took part in mandatory training. Through the introduction of mandatory compliance training, all employees were informed in portal messages, articles in the employee magazine, posters and messages on screens in various parts of the Company. In the course of the training, various compliance



topics will be dealt with in a three-year cycle. In the first period, the training concerned business ethics, corruption and bribery, conflicts of interest and social media. Employees were also familiarized again with the One K+S Values and informed about the K+S Global Organization Handbook, which contains all the internal regulations of the K+S Group that apply globally. The new Code of Conduct summarizes the core statements for all employees in an easy to understand format.

Other compliance training courses with regard to business partner compliance and "Know Your Customer" were developed and included in the training schedule. The new worldwide compliance hotline "SPEAK UP!" was established to increase availability and reduce potential hurdles that could prevent people reporting their suspicions. All employees can obtain advice on issues relating to compliance. Our compliance hotline "SPEAK UP!" enables employees and third parties to report possible or actual breaches of laws or regulations – they can do this anonymously – and they can also ask questions about compliance issues. The contact details are available on the K+S website and in the portal (intranet) or on notice boards. Of course, anyone who reports a suspicion will not suffer any disadvantages whatsoever (non-retaliation).

HUMAN RIGHTS DUE DILIGENCE

Our Group-wide goal is the observance of internationally recognized human rights at all of our locations and assurance that this basic value is applied globally. We measure this with the KPI "site coverage through human rights due diligence", which we intend to meet fully by 2030. Since we developed our methodology in 2019 and carried out the first pilot project for a human rights impact assessment, we now have 8 % covered (2018: 0%) and created the bases for the next steps.

We want to implement our commitment through a due diligence process that is in harmony with the UN Guiding Principles and take into account the following five core elements as listed in the German National Action Plan on Business and Human Rights: A policy commitment to meet the responsibility to respect human rights; procedures for identifying the human rights impact; implementation of measures and review of their effectiveness; reporting; and establishment of grievance mechanisms.



SUSTAINABLE SUPPLY CHAINS

K+S calls for fair, sustainable business practices in supply chains and has formulated corresponding expectations and requirements in the K+S Group Supplier Code of Conduct (Code). The Code requires suppliers to commit to and comply with our values. It is based on international standards such as the principles of the UN Global Compact, the General Declaration on Human Rights, the ILO core labour standards and the OECD Guidelines for Multinational Enterprises. It covers human and labour rights, health and safety, environmental considerations and responsible business.

Goal: By 2025, the Code is expected to cover more than 90% of our purchasing volume. Another goal is that all of our "critical suppliers", in other words suppliers with a high sustainability risk, commit to the Code by 2025. In 2019, we significantly extended the global introduction of the Code. It already covers 45% (2018: 29%) of our purchasing volume. 23% (2018: 15%) of our "critical" suppliers have committed to the Supplier Code of Conduct. The "critical" suppliers are determined annually. This determination considers things such as the Corruption Perceptions Index (CPI) and the environmental compatibility of the main products and services delivered by the suppliers. Clear processes and responsibilities are defined in the event that a breach of the Supplier Code of Conduct becomes known.

APPROVAL OF THE STATEMENT

This statement was approved by the Board of Executive Directors of K+S Aktiengesellschaft.

Signed,

Handwritten signature of Burkhard Lohr in black ink.

Burkhard Lohr

Handwritten signature of Thorsten Boeckers in black ink.

Thorsten Boeckers

Handwritten signature of Mark Roberts in black ink.

Mark Roberts

Kassel, March 4, 2020