



August 2023

## **K+S Aktiengesellschaft**

### **Modern Slavery Statement 2022**

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 2022 to prevent modern slavery and human trafficking in its business and supply chains.

#### **COMPANY PROFILE**

We enrich life for generations. K+S makes an important contribution to society: We help farmers to secure the world's food supply. With our products, we keep numerous industries running. We enrich the daily lives of consumers and ensure safety in winter. With around 11,000 employees, production sites on two continents, and a global distribution network, we are a reliable partner for our customers. At the same time, we are realigning ourselves: We are focusing even more strongly than before on fertilizers and specialties. We become leaner, more cost-efficient, more digital, and more performance oriented. On a solid financial basis, we are striving to open up new markets and business models. We are committed to our social and environmental responsibility in all regions in which we operate. Learn more about K+S at [www.kpluss.com](http://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 Charter of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work.

Respect for human rights is embedded in our Code of Business Conduct & Ethics as well as in the K+S Global Organization Handbook. We always follow the law. Where local law and international human rights law are not aligned, we will act in accordance with whichever standard is higher.

We strive to meet our commitments by performing thorough due diligence, continuous stakeholder engagement, accurate disclosure, access to complaint mechanisms, and continuous improvement of our policies and processes.

## **COMPLIANCE AND TRAININGS**

Compliance is an integral element of the corporate company culture at K+S based on our values, and thus also the task and obligation of every employee. 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, international standards acknowledged by the Company, such as our acknowledgement of the UN GLOBAL COMPACT and internal regulations.

We want to encourage the entrepreneurial action within clearly defined limits. Deliberate violation of legal requirements and internal regulations are not acceptable either legally or in terms of our understanding of compliance. We immediately investigate and clarify any indications of violations of legal requirements and internal regulations. Any compliance violations identified are remedied immediately and, if necessary, sanctioned consistently and appropriately.

All employees are familiarized with our values, the Code of Conduct and the internal regulations derived from it. 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 anticompetitive 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.



In order to fulfill our self-imposed zero tolerance policy against corruption and bribery, we have set ourselves the goal of covering all K+S companies with a globally standardized and regular compliance risk analysis by the end of 2023. The measures derived from the results of the analysis serve as the basis for the specific compliance program of the respective company. They provide for goal-oriented compliance as well as risk management at all our K+S companies. Following the conceptualization and development of the compliance risk analysis in 2020, we began implementing the standardized compliance risk analysis at our Group companies in 2021. In 2021 we exceeded our target of covering 20% of our companies with the initial risk analysis and were already able to implement the analysis at 25% of the companies. For 2022 we had set ourselves the interim target of implementing the compliance risk analysis at around two thirds of our companies. We have achieved this goal and will implement the compliance risk analysis at all remaining companies in 2023 to achieve full coverage.

Since compliance is very important to our Company, we want to maintain the high level of compliance training and communicate within the company continuously on compliance topics. For this purpose, we successfully conducted the third part of our basic training on business ethics and compliance for our employees in 2022. In addition, we further intensified target group-specific training courses (e.g., group wide antitrust law training).

A new business partner compliance process was established to harmonize existing processes and drive the integration of sustainability aspects into upstream and downstream supply chains. We introduced a mechanism to review the effectiveness of this process in 2022.

Employees as well as third parties can use our global “SPEAK UP!” whistleblower system to report potential or actual violations of laws or regulations – also anonymously – and raise questions about compliance issues. The contact details can be found on the K+S website and portal (intranet) or on notice boards. Of course, anyone who reports a suspicion will not suffer any disadvantage as a result (non-retaliation).

## **HUMAN RIGHTS DUE DILIGENCE**

The Company respects human rights and the dignity of all people and adheres to the international guidelines and principles listed above, which are also enshrined in our Code of Conduct as well as in our Global Organization Handbook.



The material issues (currently, e.g., environment, occupational safety) of the K+S Group are identified at regular intervals on the basis of a materiality analysis. Based on the sale of the operating unit Americas and the resulting change in frame conditions, we have reviewed and renewed the key sustainability topics of the K+S Group from the perspective of our stakeholders in 2021. The results of the updated materiality analysis clearly indicated that, from the perspective of our stakeholders, the topic of human rights is no longer in closer focus. This is not least due to the new corporate structure: streamlined and with a clear focus on Europe. Our commitment in the area of human rights is based on the field of action Business Ethics & Human Rights with the topics “Sustainable Supply Chains” and “Compliance & Anti-Corruption”.

As before, our commitment to human rights extends to all internationally recognized human rights. This is demonstrated, for example, by our signing of the UNITED NATIONS GLOBAL COMPACT. We continue to comply with legal requirements. We strive to implement our commitment through a due diligence process aligned with the UN GUIDING PRINCIPLES and take into account the following core elements as identified in the GERMAN NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS: Policy statement on respect for human rights; Procedures to identify human rights impacts; Taking action and reviewing its effectiveness; Reporting and establishing grievance mechanisms.

By integrating the topic of human rights into our compliance risk analysis, we address the human rights due diligence obligations to our group companies and take appropriate countermeasures when risks are identified. With our Supplier Code of Conduct, we also encourage our suppliers to observe human rights due diligence obligations in their area. In 2022, we also laid the foundations for integrating the issue of human rights and certain environmental concerns into our supplier risk analysis from 2023. Human rights and environmental risks in accordance with the German Act on Corporate Due Diligence in Supply Chains (LkSG) can thus be identified and detected at an early stage throughout the group from 2023 onwards by means of a documented process at our companies and our suppliers, enabling us to preventively contain identified risks and take adequate corrective action in the case of intolerable non-compliance in any standards.

## **SUSTAINABLE SUPPLY CHAINS**

We call for fair and sustainable business practices in supply chains and have 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. The Code covers human and labour rights, health and safety, environmental considerations and responsible business.

We have set ourselves the goal that by 2025, the Code is expected to cover more than 90 % of our purchasing volume. Another goal is that 100 % of our “critical suppliers”, i.e., suppliers with a high sustainability risk, commit to the Code by 2025.

In 2022, we further extended the global introduction of the Code. It already covers 84 % (2021: 81 %) of our purchasing volume. Some 90 % (2021: 87 %) of our “critical” suppliers have recognized the Code. They are identified on annual basis. The findings take into account the Corruption Perceptions Index (CPI), the environmental compatibility of the products or services mainly provided by the supplier, as well as the suppliers’ revenues generated from business with us. Clear processes and responsibilities are defined the case that a violation of the Code becomes known.

In 2023, coverage is expected to be further increased by the Code. Compliance and the consideration of sustainability aspects continue to be important to us in the selection of all our business partners. We will continue to implement the concept developed in 2022 to meet the requirements of the German Supply Chain Sourcing Obligations Act (LkSG) over the course of 2023 and, for example, carry out the annual risk analysis initially and derive suitable measures as required.

## **APPROVAL OF THE STATEMENT**

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

Signed,

Handwritten signature of Dr. Burkhard Lohr in black ink.

Dr. Burkhard Lohr

Handwritten signature of Dr. Christian H. Meyer in black ink.

Dr. Christian H. Meyer

Handwritten signature of Dr. Carin-Martina Tröltzsch in black ink.

Dr. Carin-Martina Tröltzsch

Kassel, August 25, 2023