



May 2024

## **K+S Aktiengesellschaft**

### **Modern Slavery Statement 2023**

This statement has been published in accordance with Section 54 of the UK Modern Slavery Act 2015. It sets out the measures taken by K+S Aktiengesellschaft and other relevant Group companies (K+S) in respect of the 2023 financial year to prevent modern slavery and human trafficking in business and supply chains.

#### **COMPANY PROFILE**

We make an important contribution to society: We enable farmers securing the world's food supply. Our products keep numerous industries running. We enrich consumers' daily lives 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 are becoming leaner, more cost-efficient, more digital, and more performance-oriented. On a solid financial basis, we are tapping into new markets and business models. We are committed to our responsibility towards society and the environment in all regions in which we operate.

The following statements describe the internal regulations of the K+S Group regarding the prevention of modern slavery and human trafficking, the processes implemented to fulfill our due diligence obligations including our handling of potential risks, KPIs for the various fields of action as well as the measures we have taken, all of which contribute to the goal of giving the topic of sustainable supply chains, which is very important to us, the appropriate priority.

#### **POLICIES**

K+S respects the human rights and dignity of all people affected by our business activities and conducts its business in an appropriate manner. This includes all our employees, contractors, and external stakeholders. We consider the protection of human rights a central element of our corporate responsibility. We, therefore, respect human rights in our own business activities as well as in our global supply and value chains. We are a signatory to the UNITED NATIONS GLOBAL COMPACT. Since the beginning of 2024, we have also been a member of the UN Global



Compact Network Germany e.V. (UN GCD), renewing our commitment to the ten principles of the UN Global Compact. Our commitment to human rights is based on the UN's UNITED NATIONS PRINCIPLES FOR BUSINESS AND HUMAN RIGHTS and the OECD's LEADING PRINCIPLES FOR MULTINATIONAL COMPANIES. Our approach is shaped by the International Bill of Human Rights and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. Respect for human rights is also firmly anchored in our Code of Conduct and our Global Organization Handbook.

By integrating the topic of human rights into our compliance risk analysis, we address the human rights due diligence obligations of our Group companies and take appropriate measures to counteract any risks identified. With our Code of Conduct for Suppliers, we set out our expectations for our suppliers and other business partners. In this way, they also commit to complying with the principles set out, implement appropriate processes to respect human rights and environmental standards, and pass on these expectations to their own suppliers.

Against the background of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), we are now also comprehensively analyzing both human rights and environmental risks in our supply chain. The risk analysis concept developed for this purpose has been implemented. This enables us to identify issues and risks, which we then appropriately weight and prioritize on a case-by-case basis based on their potential severity, our ability to influence the polluter, and other suitable criteria.

We always comply with applicable laws for the protection of human rights, such as the LkSG. Where local law and international human rights law are not aligned, we will act in accordance with the higher standard.

We strive to meet our commitments through thorough due diligence, continuous stakeholder engagement, honest disclosure, access to grievance mechanisms, and continuous improvement of our policies and processes.

## **COMPLIANCE AND TRAININGS**

Compliance is more than just adhering to laws, official approvals, international standards recognized by the Company, and internal regulations. It is an essential part of our corporate culture. All our employees contribute to protecting the reputation and integrity of K+S. It is important to us that "good corporate governance" is practiced at all levels.



We want to promote entrepreneurial action within clearly defined guidelines. Violations of legal provisions and / or internal regulations are neither legally acceptable nor acceptable in terms of our understanding of compliance. We immediately follow up on reports of violations of legal provisions or internal regulations and clarify the facts. If compliance violations are identified, they are remedied as quickly as possible and, if necessary, sanctioned consistently and appropriately.

Every employee is familiarized with our values, the Code of Conduct as well as the resulting internal regulations. Target group-specific training courses are held for employees on specific topics (e.g., in antitrust law, anti-corruption, prevention of money laundering and terrorist financing, data protection, environmental protection, occupational safety, anti-discrimination, and sexual harassment).

K+S pursues a zero-tolerance policy against corruption and bribery to prevent the risks of liability, criminal liability, loss of reputation, and financial disadvantages. We have also anchored the principles of our compliance management system in our sustainability goals, provided them with a performance indicator, and substantiated them with measures.

We had set ourselves the goal of covering all K+S Group companies with a globally standardized and regular compliance risk analysis by the end of 2023 to continue complying with our self-imposed zero-tolerance policy against corruption and bribery. Following the conceptualization and development of the compliance risk analysis in 2020, we started implementing the standardized compliance risk analysis at our Group companies in 2021. We successfully completed the initial analysis at our K+S Group companies in 2023 and, therefore, also met our goal. Improvement measures were identified in parts and implementation periods were defined. The measures derived from the results of the analysis form the basis for the specific compliance program of the respective Group company and ensure target-oriented compliance and risk management at all our K+S Group companies.

Since compliance is of utmost importance to our Company, we want to maintain the high level of compliance training and continuously communicate on compliance issues within the Company. For this purpose, we have further intensified target group-specific training in particular (e.g., onboarding training for new employees).

Our business partner compliance process, which harmonizes existing processes and promotes the integration of sustainability aspects into upstream and downstream supply chains, has proven to be effective and is continuously developed further as required.



Employees and third parties can use our global whistleblower system "SPEAK UP!" to report potential or actual violations of laws (including the LkSG) or regulations - also anonymously. The contact details can be found on the [K+S website](#), on the portal (intranet) and on notices. Of course, no one who reports a matter must fear any disadvantage as a result (non-retaliation).

## **HUMAN RIGHTS DUE DILIGENCE**

K+S respects the human rights and dignity of all people and adheres to the international guidelines and principles listed above, which are also anchored in our Code of Conduct and in our Global Organization Handbook.

The material topics (currently including the environment and occupational safety) of the K+S Group are identified at regular intervals based on a materiality analysis. Against the background of the Corporate Sustainability Reporting Directive (CSRD), we reviewed the material sustainability topics of the K+S Group from a corporate perspective and taking into account our stakeholders in 2023. The findings also revealed that, from the perspective of our stakeholders, the topic of human rights is not a key focus. This is not least due to our corporate structure 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 and our membership of the UN Global Compact Network Germany e.V. We continue to comply with legal requirements (e.g., the LkSG). We strive to make our contribution through a due diligence process in line with the UN GUIDING PRINCIPLES and also take into account the following core elements as set out in the GERMAN NATIONAL ACTION PLAN ON BUSINESS AND HUMAN RIGHTS, and the LkSG: Definition of internal responsibilities; establishment of a risk management system, and performance of risk analyses both in the area of our own business activities and at our suppliers, adoption of a policy statement on respect for human rights and related environmental standards (including a human rights strategy), establishment of a complaints procedure, establishment of preventive measures, immediate remedial action in the event of identified or imminent legal violations, as well as documentation and reporting obligations for the compliance with any due diligence obligations.



Against the background of the LkSG, we are now also comprehensively analyzing both human rights and environmental risks with respect to our supply chain. The concept developed for conducting the risk analysis is currently being implemented. This enables us to identify topics and risks that we prioritize based on their potential severity, our ability to influence them and other suitable criteria in individual cases.

## **SUSTAINABLE SUPPLY CHAINS**

We call for fair and sustainable business practices in the supply chains and have set out corresponding expectations and requirements in the Code of Conduct for Suppliers of the K+S Group. The Code obliges suppliers to recognize and comply with our values. It is based on international standards such as the principles of the UN GLOBAL COMPACT, the GENERAL DECLARATION OF HUMAN RIGHTS, the ILO CORE LABOUR STANDARDS, and the OECD GUIDELINES FOR MULTINATIONAL COMPANIES. The Code covers the topics of human and labor rights, occupational health and safety, environmental aspects, and responsible business conduct.

We have set ourselves the goal of having more than 90% of our purchasing volume covered by the Code by 2025. Another goal is for 100% of our "critical" suppliers, i.e., suppliers with a high sustainability risk, to have recognized the Code by 2025.

In 2023, we continued to drive forward the global introduction of the Code. It now covers 91% (2022: 84%) of our purchasing volume. 92% (2022: 90%) of our "critical" suppliers have recognized the Code. They are identified annually. The determination takes into account the Corruption Perceptions Index (CPI), the environmental compatibility of the main products or services supplied by the supplier, as well as the revenues generated by the suppliers with us. We have defined clear processes and responsibilities if we become aware of a breach of the Code.

In 2024, we aim to further increase the coverage of the Code. We continue to attach great importance to compliance and the consideration of sustainability aspects in the selection of all our business partners. The concept developed in 2022 to comply with the requirements of the LkSG was implemented in 2023 and the annual risk analysis was also carried out initially. The defined activities will be continued in 2024.



The expansion of risk management for supply chains creates improved opportunities for identifying and processing potential and actual sustainability risks at suppliers. The measures to be selected and implemented on a case-by-case basis - such as the implementation of training or an audit at a supplier - serve to avoid or mitigate risks.

In the next year, we will continue to expand our activities to achieve greater sustainability in the K+S Group's supply chain.

### **RESOLUTION OF THE STATEMENT**

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

Kassel (Germany), May 2024

Handwritten signature of Dr. Burkhard Lohr in black ink.

Dr. Burkhard Lohr

Handwritten signature of Christina Daske in black ink.

Christina Daske

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