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## **K+S AKTIENGESELLSCHAFT MODERN SLAVERY STATEMENT 2017**

This statement has been published in accordance with 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 2017 to prevent modern slavery and human trafficking in its business and supply chains.

### **COMPANY PROFILE**

K+S considers itself as a customer-focused, independent minerals company for the segments of Agriculture, Industry, Consumers, and Communities and wants to grow the EBITDA to € 3 billion in 2030. Our over 14,000 employees enable farmers to provide nutrition for the world, provide solutions that keep industries going, improve daily life for consumers and provide safety in the 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 of the regions in which we operate. <http://www.k-plus-s.com/en/geschaeft/>

### **OUR ACTIONS**

We respect and support the observance of internationally recognised human rights as well as the core labour standards of the International Labour Organisation (ILO). This is already reflected in our core values and principles (Code of Conduct) that are binding on all K+S Group employees. We act in accordance with the laws of the countries in which we operate. This also requires that we reject any form of modern slavery and human trafficking. We support the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption and the observance of internationally recognised human rights.

Our group-wide compliance management system creates the organisational prerequisites for making sure that the relevant applicable law, our internal regulations and guidelines as well as those regulatory standards recognised by the Company are known across the Group and compliance with them can be monitored.

Obligatory training sessions for (potentially) affected employees are held in relation to specific issues (e.g. anti-trust law, anti-corruption, environmental protection/work safety laws). The training

framework is designed centrally and supplemented locally with country-specific or regional features. Employees who newly take on management responsibility are offered an expanded introductory programme, which includes training in basic legal and compliance matters.

Every employee is called upon to report compliance breaches of which the employee is aware or report concrete, suspected breaches of compliance to the employee's superior or to the responsible compliance officer. In the event that an employee wishes to remain anonymous, hotlines have been set up allowing external ombudspersons to be contacted. These can also be used by every person to report compliance breaches or concrete suspected breaches.

Our Group-wide objective is to respect internationally recognized human rights at all of our sites. As part of our due diligence in the area of human rights, we develop procedures for identifying, avoiding or mitigating the potentially negative impact of our corporate activities on human rights. We have already commenced this ongoing process-based task for ensuring a systematic approach. A pilot project for practical implementation is in preparation and is expected to be implemented in 2018.

Our Group-wide goal is to demand a sustainable approach from our suppliers along the entire supply chain in order to align all business activities with our values. To firm up our concept, our focus in 2017 was on a comprehensive review of supplier management including a risk assessment. A Supplier Code of Conduct has been developed, processes have been set up and implementation will begin in 2018. It covers human rights, employee rights, health and safety, environmental aspects and corporate citizenship. In our activities, the entire procurement process is assessed, from the initial request through to delivery and performance to settlement. The evaluation of suppliers is then also incorporated in the total cost of ownership calculation. This evaluation is supplemented by self-disclosure, which new suppliers are required to submit. Should it become evident that a supplier does not meet our criteria, the Company's internal members of the supply chain will be informed immediately. A total of 99% of our contractual partners are based in OECD countries.

#### **APPROVAL OF THE STATEMENT**

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

Signed,

Dr Burkhard Lohr

Thorsten Boeckers

Dr Thomas Nöcker

Mark Roberts

Kassel, April 2018