
K+S AKTIENGESELLSCHAFT MODERN SLAVERY STATEMENT 2016

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 the financial year ending 31 December 2016 to prevent modern slavery and human trafficking in its business and supply chains.

COMPANY PROFILE

K+S is an international resources company. We have been mining and processing mineral raw materials for more than 125 years. Our products are used worldwide in agriculture, food and road safety and are important elements in numerous industrial processes. We serve the resulting growth in demand from production sites in Europe, North America and South America as well as through a global distribution network. K+S is the world's largest salt producer and one of the top potash providers worldwide. With more than 14,000 employees, K+S achieved revenues in financial year 2016 of about € 3.5 billion and an EBIT of € 229 million.

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 laws, 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, hot-lines 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.

In the context of the action field 'Human rights', which is part of the K+S Sustainability Programme 2016 – 2018, in 2016 various steps have been defined in order to start a human rights due diligence audit in a pilot country. The procedure is intended to identify actual and potential impact on human rights, consider resultant insights, take measures and ensure their implementation.

In terms of the action field 'Sustainable supply chains' we focus on sustainability and compliance with our values, the further development of comprehensive supplier management and risk assessment. Our aim is to continue and build up long-term partnerships through cooperation with our suppliers and service providers. We assess the entire procurement process from the initial request through to delivery of the service and settlement. In this regard we consider quality as well as environmental and safety standards. This evaluation is supplemented by a self-assessment which every new supplier is required to submit. Should it become evident that a supplier does not meet our criteria, the company's internal participants in the supply chain will be informed immediately.

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 Dr Otto Lose Mark Roberts

Kassel, June 2017