



# **SUPERVISORY BOARD REPORT**

**Dr. Andreas Kreimeyer**

Chairman of the Supervisory Board

## Dear shareholder,

The year 2023 marks another important milestone in our Company's history: we have further developed our K+S in terms of both personnel and operations, while positioning the Company for the future. Despite dynamic, political, economic, and unexpected developments, we have once again proven our capability for stability and performance as an organization and a company, even in turbulent times. Looking back on twelve eventful months, this Annual Report provides you with comprehensive insights into the developments and challenges we encountered in the past financial year.

The global economy faced numerous challenges and our business was impacted by significant changes. The already complicated geopolitical situation following the COVID pandemic as well as the ongoing Russian war of aggression against Ukraine was further aggravated by the war in Gaza and caused additional uncertainty on the international markets.

Unfortunately, prices for our products and, therefore, the earnings level of K+S did not perform as originally planned. This development directly impacted our share price, which declined significantly over the course of the year.

We, nevertheless, achieved considerable success in these challenging times. Despite all the adversity, we returned a record sum of about 390 million euros to our shareholders, let our employees participate in the Company's success, and further reduced our debt. A particular milestone was the upgrade of our rating to investment grade in June 2023, which further confirms the stability and financial solidity of our Company.

Another important milestone in 2023 was the positioning of the Board of Executive Directors' team for the future. Following the appointment of Dr. Carin-Martina Tröltzsch and Dr. Christian H. Meyer, who already strengthened the Board of Executive Directors in the first quarter, we are now pleased to have achieved equal representation on the Board of Executive Directors with the appointment of Mrs. Christina Daske as Labor Director. This appointment also provides greater diversity in terms of the age distribution on the Board of Executive Directors. We are, therefore, fulfilling both our K+S Values and the requirements of the German Corporate Governance Code.

In the past financial year, we also made good progress in implementing our strategy. Our new climate strategy provides for a further significant reduction in our carbon footprint by 2030. Key components include the Werra 2060 project, the planning of which we have consistently driven forward, and the ramp-up of the Bethune plant. Both projects are fundamental to the future economic success of K+S. Furthermore, we have established a new organizational unit for the development of new, future-oriented business areas.

On behalf of the Supervisory Board, I would like to thank all employees for their outstanding commitment and loyalty in this difficult business environment. Our thanks also extend to the members of the Board of Executive Directors, who are guiding K+S through these challenges, as well as to the employee representatives and works councils, who are contributing to the achievement of ambitious goals in a constructive and forward-looking manner.

I would like to thank you, our shareholders, for your critical but always constructive support over the past year.

### **ADVISING THE BOARD OF EXECUTIVE DIRECTORS AND MONITORING OF MANAGEMENT**

During the 2023 financial year, the Supervisory Board diligently performed the supervisory and advisory functions incumbent on it by law and in accordance with the Articles of Association and its bylaws. Numerous matters were discussed in depth and resolutions were adopted on transactions requiring approval. We continuously monitored the Board of Executive Directors' management of the Company and advised the Board on the governance of the Group. We were always involved in decisions of fundamental importance in a timely and appropriate manner. The Board of Executive Directors regularly briefed us promptly and comprehensively on the business development of the Company and its customer segments, the financial position, net assets, and earnings, the employment situation, the progress of important investment projects, planning, and the further strategic development of the Company. Deviations from planning were explained to the Supervisory Board in detail. The risk situation and risk management were carefully considered. The Supervisory Board received written reports from the Board of Executive Directors to prepare for meetings. In particular, the Chairman of the Supervisory Board also remained in close personal contact with the Board of Executive Directors beyond the meetings and regularly discussed significant events as well as upcoming resolutions. The shareholder and employee representatives regularly discussed important agenda items at separate meetings prior to meetings of the Supervisory Board.

In 2023, the plenary and committee meetings were predominantly held as physical meetings with a virtual attendance option. Eight Supervisory Board meetings were held in 2023. The average attendance rate of Supervisory Board members at these meetings was 91% in the reporting period. Three meetings were attended by all of the Supervisory Board members. At two meetings three members were unable to attend, at two meetings two members were unable to attend, and at one meeting one member was unable to attend. The absence was excused. Of the eight meetings of the **Audit Committee**, three were held in person and five virtually. One member was excused from one meeting. The **Nomination Committee** met twice, attended by all members. One of these meetings was held in person and one was held virtually. Of the five meetings of the **Personnel Committee**, one meeting was held in person and four meetings were hybrid meetings. All meetings were attended by all members. The **Strategy Committee** held a total of four meetings, three of which were held in person and one in hybrid form. One member was excused from one meeting. Of the three meetings of the **ESG Committee**, two meetings were held in person and one in hybrid form. At two meetings, one member was excused in each case. The **Special Committee** met four times virtually, attended by all members.

## COMPOSITION OF THE BOARD OF EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The Supervisory Board of K+S Aktiengesellschaft and Mr. Holger Riemensperger have mutually agreed on a separation, as Mr. Riemensperger wanted to assume new challenges in another company. Mr. Riemensperger's mandate as a member of the Board of Executive Directors ended on February 28, 2023. On February 20, 2023, Dr. Carin-Martina Tröltzsch took up her position as a new member of the Board of Executive Directors at K+S. Dr. Christian H. Meyer assumed his position as Chief Financial Officer on March 15, 2023. The Supervisory Board appointed Mrs. Christina Daske as a member of the Board of Executive Directors and Labor Director as of December 1, 2023.

The composition of the Supervisory Board changed as follows in the year under review: On April 26, 2023, the elections of the employee representatives to the Supervisory Board of K+S Aktiengesellschaft were held. Mr. André Bahn, Mr. Lars Halbleib, Mr. Michael Knackmuß, Mr. Peter Trotha, and Mrs. Brigitte Weitz were elected as employee representatives. Mr. Gerd Kübler was elected as the representative of senior executives. Mrs. Petra Adolph and Mr. Ralf Becker were elected as representatives of the trade union. Following the expiration of Prof. Dr. Elke Eller's Supervisory Board mandate at the end of the 2023 Annual General Meeting, she was re-elected as a shareholder representative on the Supervisory Board. The mandates of Mrs. Jella Benner-Heinacher and Mr. Gerd Grimmig expired at the end of the 2023 Annual General Meeting. Mrs. Christiane Hölz and Mrs. Christine Wolff were newly elected to the Supervisory Board on May 10, 2023.

Following the Annual General Meeting of K+S Aktiengesellschaft, the members of the Supervisory Board elected the Deputy Chairmen of the Supervisory Board and held by-elections for the committees:

- + Mr. Ralf Becker was re-elected Deputy Chairman of the employee side of the Supervisory Board.
- + Mr. Thomas Kölbl was elected Deputy Chairman of the shareholder side of the Supervisory Board.
- + Mr. Ralf Becker is once again a member of the Mediation Committee in accordance with the German Co-Determination Act (MitbestG). Mr. André Bahn was also re-elected as an additional member.
- + Mr. Ralf Becker and Mr. André Bahn were also re-elected as members of the Strategy Committee.
- + Mrs. Petra Adolph, Mr. Ralf Becker, Mr. Lars Halbleib, and Mrs. Christiane Hölz were elected as additional members of the Audit Committee.
- + Mr. Ralf Becker, Prof. Dr. Elke Eller, and Mr. Michael Knackmuß were re-elected as members of the Personnel Committee.
- + Mrs. Christine Wolff was elected as a new member of the Nomination Committee.
- + Mrs. Petra Adolph, Mrs. Christiane Hölz, and Mr. Peter Trotha were elected to the ESG Committee. Mrs. Christiane Hölz also assumed the chair of the committee.

Philip Freiherr von dem Bussche left his position as a member of the Supervisory Board for health reasons with effect from August 11, 2023. In this course, Mr. Markus Heldt took over his position on the Strategy Committee and left the ESG Committee. Mr. Philip Freiherr von dem Bussche was succeeded by Mr. Carl-Albrecht Bartmer by court appointment as of January 23, 2024. The decision of the local court was served to K+S on January 29, 2024. He was elected to the ESG Committee and the Nomination Committee.

👁 Declaration on corporate governance, Supervisory Board committees and their members

## SUPERVISORY BOARD MEETINGS

Six ordinary and two extraordinary Supervisory Board meetings were held in the 2023 financial year.

At its first meeting of the year on January 30, 2023, which was convened as an extraordinary meeting, the members of the Supervisory Board resolved on personnel matters at the level of the Board of Executive Directors. At the meeting on February 15, 2023, which was also held as an extraordinary meeting, the target agreements of the members of the Board of Executive Directors for the 2023 financial year, the determination of target achievement in 2022, and personnel matters at the level of the Board of Executive Directors were resolved.

In the presence of the auditors of the financial statements (PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft), the Supervisory Board examined the annual financial statements, the consolidated financial statements, and the combined management report, including the non-financial statement and the remuneration report contained in the management report for the 2022 financial year, approved the financial statements on the recommendation of the Audit Committee, and, after intensive discussion, resolved to endorse the proposal of the Board of Executive Directors for the appropriation of profits at its ordinary meeting on March 14, 2023. The business situation and the outlook for the current year were discussed in detail and the proposed resolutions for the 2023 Annual General Meeting were also approved. The Chairs of the Nomination and Personnel, ESG, Audit, and Strategy Committees reported on their most recent meetings.

At the ordinary meeting on May 9, 2023, the Board of Executive Directors provided an overview on the development of the business situation in the first quarter of 2023 and reported on current developments in occupational safety. The Chairman of the Audit Committee reported to the Supervisory Board on its most recent meeting. The Supervisory Board also dealt with the Annual General Meeting as well as the request for additions to the agenda and announced counter motions.

The constituent meeting of the Supervisory Board was convened on May 15, 2023, at which the elections to the committees were held and the Deputy Chairmen were elected.

At the ordinary meeting on August 23, 2023, Mrs. Christina Daske was appointed as a member of the Board of Executive Directors. The Supervisory Board also discussed the amount of remuneration for the Board of Executive Directors, taking into account the future composition of the Board of Executive Directors. The Chairs of the ESG, Audit, and Strategy Committees reported on their most recent meetings. Following the recommendation by the Audit Committee, the Supervisory Board resolved to appoint PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft for the audit of the consolidated and financial statements, the non-financial statement, and the remuneration report for the 2023 financial year. Furthermore, the certificate on the audit of the system for compliance with the requirements arising from Section 32 of the German Securities Trading Act (WpHG) for 2022 was presented to the members of the Supervisory Board. The Board of Executive Directors reported to the Supervisory Board on the current business situation of the K+S Group. The meeting also focused on the corporate and dividend distribution strategy as well as the current status of the optimization of the existing business, the growth of the core business, and developments in the area of new business areas.

At the ordinary meeting on October 19, 2023, the Chairmen of the Personnel, Nomination, Strategy, and Audit Committees reported on their most recent meetings. The Supervisory Board dealt intensively with current governance issues, the internal control system, the compliance management system, the risk management system, the work of Internal Auditing as well as the main features of the accounting processes, and the annual financial statements. It was also resolved to appoint Mr. Carl-Albrecht Bartmer as a member of the Supervisory Board by applying for a court appointment. Furthermore, the Supervisory Board again discussed the remuneration of the Board of Executive Directors.

The last meeting of the year was held on December 5, 2023. This was an ordinary meeting. The Chairs of the Strategy, Audit, ESG, and Personnel Committees reported on their last meetings. The planning of the K+S Group for 2024, including the financing and investment framework and projects requiring approval, was examined in detail – also in terms of its consistency with the strategic goals – and approved. Furthermore, the Board of Executive Directors provided information on current developments regarding the Werra 2060 project and the ramp-up of the Bethune plant. The joint declaration of compliance 2023/2024 by the Board of Executive Directors and the Supervisory Board was also approved.

👁 Declaration on corporate governance

### COMMITTEE MEETINGS

In addition to the Mediation Committee required by law, the Supervisory Board has established six more committees to support its tasks and responsibilities: the Audit Committee, the Personnel Committee, the Nomination Committee, the Strategy Committee, the ESG Committee, and a special committee. An overview of these committees and their composition can be found in the management report from page 109 onwards and on the K+S Aktiengesellschaft website under "About K+S." There, you can also find the bylaws for the Supervisory Board and its committees.

The **Audit Committee** met a total of eight times in 2023. On March 2, 2023, in the presence of the auditor (PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft) and the Board of Executive Directors, the committee intensively examined the 2022 annual financial statements of K+S Aktiengesellschaft, the 2022 consolidated financial statements, the combined management report including the non-financial statement contained in the management report and the remuneration report as well as the Board of Executive Directors' proposal for the appropriation of profit. Furthermore, the auditor reported on the quality of the audit.

At the extraordinary meeting on March 14, 2023, the Audit Committee recommended to the Supervisory Board to propose the engagement of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft for the audit of the consolidated and annual financial statements, the non-financial statement, and the remuneration report for the 2023 financial year to the Annual General Meeting.

On August 23, 2023, the committee recommended the engagement of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to audit the consolidated and financial statements, the non-financial statement, and the remuneration report for the 2023 financial year. In conclusion, the committee discussed the focal points of the 2023 audit and the results of the quality assessment conducted by the Supervisory Board for the audit of financial statements.

At the meeting on October 11, 2023, the Chief Compliance Officer provided a comprehensive report on the internal control system, the compliance management system, and the risk management system of the K+S Group. The committee acknowledged and approved the report. The Head of Internal Auditing reported on his work in the K+S Group. Furthermore, the committee dealt with the information report on income taxes and a financing concept for mining provisions.

At the meeting on November 28, 2023, the Audit Committee dealt intensively with the annual planning for 2024 and the projects requiring approval. The Audit Committee was also informed about the developments regarding consulting fees and donations/sponsoring, as well as the permissible non-audit services provided by the auditor.

On May 5, August 7, and November 10, 2023, the members of the Audit Committee, the Chief Executive Officer, and the Chief Financial Officer discussed the past quarters as well as the Quarterly Reports and Half-Year Financial Report due for publication.

The **Personnel Committee**, which prepares personnel decisions for the Supervisory Board and is responsible for other Board of Executive Directors' matters, met five times in 2023. It dealt with the termination of Mr. Riemensperger's mandate.

The Personnel Committee selected various candidates in a structured selection process with professional support, recommended them to the Supervisory Board for an interview, and issued a recommendation for the appointment of Mrs. Daske as a member of the Board of Executive Directors. The committee also dealt with the target agreement and target achievement of the Board of Executive Directors. Long-term succession planning for the Board of Executive Directors was also a focus.

Furthermore, the committee dealt with the amount of remuneration for the Board of Executive Directors and resolved an adjustment to the remuneration system for members of the Board of Executive Directors with regard to the multiple for the remuneration of individual members of the Board of Executive Directors compared to an ordinary member of the Board of Executive Directors with effect from January 1, 2024, and to submit this to the upcoming Annual General Meeting for approval.

A Chairman of the Board of Executive Directors should generally receive 1.5 times the remuneration of an ordinary member of the Board of Executive Directors, as before. The current Chairman of the Board of Executive Directors of K+S, Dr. Lohr, has twelve years of experience on the Board of Executive Directors, including seven years in the function of Chairman of the Board of Executive Directors, which is valuable management experience for the Company and the Board of Executive Directors as a whole. At the same time, he is responsible for inducting a new Board of Executive Directors team. In the view of the Supervisory Board, it is precisely such situations, which are particularly demanding for the Chairman of the Board of Executive Directors, that justify an adjustment to 1.7 times the remuneration of an ordinary member of the Board of Executive Directors.

The responsibility of the Chief Operations Officer for the two areas of production and sales, which are managed simultaneously, is also regularly characterized by considerable complexity. The Supervisory Board, therefore, believes that an adjustment of the remuneration to 1.2 times the remuneration of an ordinary member of the Board of Executive Directors is justifiable for a

member of the Board of Directors who is responsible for both production and sales ("Chief Operations Officer").

Detailed information on the amount of remuneration for the Board of Executive Directors in 2023 and the structure of the remuneration system approved by the Annual General Meeting on May 10, 2023, can be found from page 163 of the remuneration report prepared in accordance with Section 162 of the German Stock Corporation Act (Aktiengesetz, AktG).

The members of the **Nomination Committee** met two times in 2023. The subject of their consultations involved, in particular, short- and long-term succession planning for the Supervisory Board and the related selection of candidates under consideration of the competence profile, as well as future requirements of the corporate strategy.

The **Strategy Committee** met four times in 2023. It dealt intensively with the corporate strategy and, in particular, with digitalization and the projects Werra 2060, ramp-up of the Bethune plant, and the establishment of new business areas. Another focus was the energy transformation, which was discussed with members of the ESG Committee attending.

The **Mediation Committee** did not have to be convened in the past financial year.

The **ESG Committee** met three times. Reports on occupational safety and the sustainability KPIs were presented at all meetings. At the meeting on February 23, 2023, the ESG Committee discussed the non-financial statement in the presence of the auditor (PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft).

At its meeting on August 8, 2023, the focus was on occupational health management, diversity & inclusion, and energy & climate.

The last meeting of the year was held on November 15, 2023. At this meeting, the committee dealt with the CSRD and CS3D sustainability standards, sustainable supply chains, and the climate strategy.

👁 Corporate strategy, Climate strategy

The **Special Committee** established in January 2023 met four times. It dealt with measures to ensure compliance with internal business and conduct principles. The committee also examined the decisions made in connection with the geopolitical challenges.

The members of the Supervisory Board are responsible for the training and further development measures required for their duties, such as on changes in the legal framework, and are supported in this by the Company. Internal information events are offered as required for targeted further training. Prior to assuming office, it is discussed with new members of the Supervisory Board in what form they require support, e.g., with regard to German legislation, and K+S provides appropriate support.



An overview of the individualized attendance of Supervisory Board members at plenary and committee meetings can be found in the following table. All shareholder representatives physically attended the K+S 2023 Annual General Meeting. **A.1**

**ATTENDANCE OF MEETINGS BY MEMBERS OF THE SUPERVISORY BOARD OF K+S  
AKTIENGESELLSCHAFT IN THE 2023 FINANCIAL YEAR**

**A.1**

Supervisory Board members	Meetings incl. committee meetings	Total number of full Board meetings	Attendance of full Board meetings	Total number of committee meetings	Attendance of committee meetings	Total attendance
	34; of which 14 physical, 8 hybrid, 12 virtual	8; of which 4 physical, 2 hybrid, 2 virtual		26; of which 10 physical, 6 hybrid, 10 virtual		
Dr. Andreas Kreimeyer	27	8	8	19	18	96%
Ralf Becker	29	8	8	21	20	97%
Thomas Kölbl	16	8	7	8	8	94%
Petra Adolph	19	8	8	11	11	100%
André Bahn	12	8	8	4	4	100%
Jella Benner-Heinacher (until May 10, 2023)	12	4	4	8	8	100%
Philip Freiherr von dem Bussche (until Aug. 10, 2023)	7	5	3	2	2	71%
Prof. Dr. Elke Eller	17	8	8	9	9	100%
Gerd Grimmig (until May 10, 2023)	5	4	3	1	1	80%
Lars Halbleib	16	8	8	8	8	100%
Markus Heldt	11	8	7	3	2	82%
Christiane Hölz (since May 10, 2023)	11	4	4	7	7	100%
Michael Knackmuß	13	8	6	5	5	85%
Gerd Kübler	8	8	8	–	–	100%
Dr. Rainier van Roessel	10	8	7	2	2	90%
Peter Trotha	15	8	6	7	6	80%
Brigitte Weitz	8	8	7	–	–	88%
Christine Wolff (since May 10, 2023)	5	4	4	1	1	100%
<b>Total</b>	<b>241</b>	<b>125</b>	<b>91%</b>	<b>116</b>	<b>97%</b>	<b>92%</b>

**CONFLICTS OF INTEREST**

No conflicts of interest of members of the Board of Executive Directors or the Supervisory Board requiring disclosure to the Annual General Meeting were reported to the Supervisory Board during the reporting period.

**AUDIT OF THE 2023 ANNUAL FINANCIAL STATEMENTS AND  
CONSOLIDATED FINANCIAL STATEMENTS**

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt, audited the annual financial statements of K+S Aktiengesellschaft, prepared by the Board of Executive Directors in accordance with the provisions of the German Commercial Code (HGB), the consolidated financial statements prepared on the basis of the International Financial Reporting Standards, as adopted by the EU, and the supplementary German legal requirements required to be applied in accordance with Section 315e (1) HGB, and the combined management and Group management report for the 2023 financial year. The annual financial statements and the

consolidated financial statements both received unqualified audit opinions. In addition to the statutory audit, the Supervisory Board of K+S Aktiengesellschaft commissioned PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to audit the conformity with limited assurance of the combined non-financial statement in accordance with Sections 315b, 315c in conjunction with 289c to 289e HGB and Article 8 of the EU SF Taxonomy Regulation (Regulation (EU) No. 2020/852), and to conduct a formal and substantive audit of the remuneration report prepared in accordance with Section 162 AktG. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft reported the results to the Audit Committee of K+S Aktiengesellschaft at its meeting on February 28, 2024, and to the Supervisory Board at its meeting on March 12, 2024. Based on the audit procedures performed and the audit evidence obtained, no matters have come to the attention of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft that cause PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to believe that the combined non-financial statement of the Company for the period from January 1 to December 31, 2023, has not been prepared, in all material respects, in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e HGB, the EU SF Taxonomy Regulation, the delegated acts adopted in this respect, as well as the interpretation by the legal representatives presented in the "EU Taxonomy Regulation" section of the combined non-financial statement. The aforementioned documents, the Board of Executive Directors' proposal concerning the appropriation of profits, and the audit reports of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, each of which had been submitted to the members of the Audit Committee and the Supervisory Board on time, were each addressed extensively at the Audit Committee meeting held on February 28, 2024, as well as at the Supervisory Board meeting held on March 12, 2024, in the presence of the auditor. All questions raised at both meetings were answered satisfactorily by the Board of Executive Directors and the auditor. Following its own examination of the reports presented, the Supervisory Board did not raise any objections. It agreed with the Board of Executive Directors in its assessment of the position of K+S Aktiengesellschaft and of the Group and, at the suggestion of the Audit Committee, approved the financial statements for the 2023 financial year. The 2023 annual financial statements of K+S Aktiengesellschaft have, therefore, been adopted. The Supervisory Board agreed to the proposal of the Board of Executive Directors for the "Declaration on corporate governance" (page 108). The resolution on the appropriation of profits proposed by the Board of Executive Directors was also examined, particularly with regard to the present and expected future financial situation of the K+S Group. Following extensive discussions, the Supervisory Board also approved this proposal made by the Board of Executive Directors.

All the best!

On behalf of the Supervisory Board  
Dr. Andreas Kreimeyer  
Chairman of the Supervisory Board

Kassel (Germany), March 12, 2024

A handwritten signature in blue ink, reading "yours" on the first line and "Andreas Kreimeyer" on the second line.