



# Group Payment Report 2022

## GENERAL PRINCIPALS

K+S Aktiengesellschaft is a company incorporated under German law and entered in the commercial register held by the Kassel District Court under the register number HRB 2669 with its head office at Bertha-von-Suttner-Str. 7, 34131 Kassel, Germany.

As the parent company of the K+S Group K+S Aktiengesellschaft holds the investments in its domestic and foreign subsidiaries directly or indirectly.

K+S Aktiengesellschaft is subject to the regulation of the German Commercial Code (HGB).

## BACKGROUND

Pursuant to section 341q et seq of the German Commercial Code corporations and commercial partnerships with limited liability are required to report on certain payments made to government entities in connection with their activities in the extractive industry. Companies in the extractive industry are companies that operate in the field of exploration, prospection, discovery, development and extraction of minerals, oil and natural gas deposits or other specific substances.

The above-mentioned regulations imposes an obligation on K+S Aktiengesellschaft as the parent company to prepare a Group Payment Report in which it reports certain payments to government entities by reportable companies belonging to the K+S Group. The inclusion of a company in the Group Payment Report exempts that company from having to report payments at the individual company level.

## ACTIVITIES IN THE EXTRACTIVE INDUSTRY

The activities of the K+S Group include activities in the extractive industry. The K+S Group extracts raw materials in conventional underground mining as well as solution mining. The potash and rock salt deposits of the K+S Group are either owned by the K+S

Group or corresponding licenses and/or similar rights are held that permit the mining or solution mining of the raw material deposits and secure them over the long term.

Subsidiaries of K+S Aktiengesellschaft that have activities in the extractive industry where included in the Group Payment Report.

## REPORTING PRINCIPALS

### GENERAL

The Group Payment Report of K+S Aktiengesellschaft is prepared in Euro (€). The reporting year is the same as the fiscal year. Rounding differences can occur in the given numbers.

The following companies are included in the Group Payment Report:

- + K+S Aktiengesellschaft
- + K+S Minerals and Agriculture GmbH
- + Frisia Zout B.V.
- + K+S Potash Canada GP

In accordance with the regulations of the German Commercial Code (HGB) the Group Payment Report of K+S Aktiengesellschaft will be published in the Federal Gazette and will also be available to the public on June 30, 2023 on the homepage of the K+S Group at [www.kpluss.com](http://www.kpluss.com) in German and English.

### TERM DEFINITIONS

Pursuant to Section 341r No. 1 of the German Commercial Code, activities in the extractive industry comprise activities in the field of exploration, prospection, discovery, development and extraction of minerals, oil and natural gas deposits or other substances in the sectors listed in Annex I Paragraph B Sections 05 to 08 of Directive (EC) No. 1893/2006 of the European Parliament and of the Council of December 20, 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending the Council Regulation (EEC) No. 3037/90 and certain EC regulations on specific statistical domains (OJ L 393 of December 30, 2006, p. 1).

**Payments** are all amounts paid as a benefit in kind or cash benefit in connection with activities in the extractive industry when they are conducted pursuant to Section 341r No. 3 of the German Commercial Code for one of the reasons listed below:

- + Production entitlements,
- + Taxes levied on the income, output or profits of corporations and excluding excise taxes, sales taxes, value added taxes as well as taxes due on the wages/salaries of persons employed by corporations and similar taxes,
- + Usage fees,
- + Dividends and other profit distributions arising from shareholdings,
- + Signature, discovery and production bonuses,
- + License, lease and access fees as well as other considerations for licenses or concessions and
- + Payments for infrastructure improvements.

Pursuant to Section 341r No. 4 of the German Commercial Code, **government entities** are national, regional or local authorities of a Member State of the European Union, another signatory state of the Treaty on the European Economic Area or a third country including the departments or agencies controlled by an authority and companies that can exert a dominant influence on one of these authorities within the definition of Section 290 of the German Commercial Code.

Pursuant to Section 341r No. 5 of the German Commercial Code, **projects** are the totality of operational activities that form the basis for payment obligations toward a government entity and are based on

- + a contract, a license, a lease, a concession or a similar legal agreement

or

- + a totality of operationally and geographically related contracts, licenses, leases or concessions or related agreements with a government entity, which essentially establish similar conditions.

## PREPARATION PRINCIPALS

The Group Payment Report includes payments that result from activities within the framework of the extraction and development of raw materials or related upstream activities, for example from exploration, prospecting or discovery, and which can be assigned to the types of payments mentioned before. Payments to government entities which are not directly related to activities in the extractive industry are outside the scope of application and thus are not to be included in the Group Payment Report.

The reported payments reflect the actual payment outflows of the companies included in the Group Payment Report in the year under review.

Repayments by a government entity reduce the amount of payments to be reported provided that the payment and corresponding repayment occur within the same period under review and arise from the same matter. Repayments resulting from payments in previous years are not taken into consideration.

If a payment is made in connection with activities related to the extractive industry as well as with other activities, the main purpose of the payment is the determining factor. A payment is included in the Group Payment Report if the main purpose of the payment results from activities related to the extractive industry. There is no artificial division of the payment into a part that is subject to the disclosure obligation and one that is not.

Payments that cannot be assigned exclusively to one project are disclosed as "non-project-related payments". At the K+S Group projects are equated with plants.

The K+S Group did not make any payments in kind to government entities for activities in the extractive industry in the period under review.

Payments made in foreign currencies (not €) were converted with the exchange rate on the date of payment (= Transaction rate).

For reasons of materiality, government entities to which a total of less than € 100,000 have been paid in the period under review can be excluded from the Group Payment Report. This materiality threshold is applied.

Payments that are voluntarily included in the Group Payment Report are explicitly marked. These payments are stated aggregated at country level. There is no differentiation by government entity, divided by projects.

## PAYMENTS

### GROUP VIEW

The following overview **A.1** shows the payments made to government entities in the reporting year by the K+S Group broken down by country and payment type. The respective beneficiary government entity can be found in the country overview **A.2 – A.4**.

K+S GROUP		A.1			
in €	Taxes <sup>1</sup>	Usage fees <sup>2</sup>	License fees, rental fees, entry fees <sup>3</sup>	Total	
Germany	2,529,243*	100,680	1,108,532	3,738,455	
Netherlands	–	–	312,367	312,367	
Canada	–	3,720,096	36,245,687	39,965,783	
<b>Total</b>	<b>2,529,243</b>	<b>3,820,776</b>	<b>37,666,586</b>	<b>44,016,605</b>	

<sup>1</sup> Pursuant to Section 341r No. 3 b) of the German Commercial Code.

<sup>2</sup> Pursuant to Section 341r No. 3 c) of the German Commercial Code.

<sup>3</sup> Pursuant to Section 341r No. 3 f) of the German Commercial Code.

\* K+S Aktiengesellschaft and the vast majority of its domestic subsidiaries form a single unit for trade tax and corporate tax purposes. As the taxpayer, K+S Aktiengesellschaft makes regular payments for these controlled companies (“tax group”). A part of these payments can be attributed to activities in the extractive industry and are thus subject to disclosure. An analysis of the main purpose of the payments made has demonstrated that the overwhelming majority of the payments made by the taxpayer do not result from activities in the extractive industry, but from the production and distribution of fertilizers and products for industrial applications, as well as the disposal activities for the subterranean disposal and recovery of waste and other services. Consequently, they are outside the scope of application and are not included in the table above. However, the payments made by K+S Aktiengesellschaft are disclosed voluntarily hereinafter at the accumulated level:

In the year under review K+S Aktiengesellschaft paid income taxes in the amount of € 431.920.760 of which € 223.768.692 was for corporate tax and € 208.152.068 for trade tax.

### COUNTRY OVERVIEW

The country overview shows the payments made to government entities in the reporting year broken down by project and payment type.

GERMANY		A.2			
in €	Taxes <sup>1</sup>	Usage fees <sup>2</sup>	License fees, rental fees, entry fees <sup>3</sup>	Total	
<b>HCC-Hessisches Competence Center, Wies- baden, Hesse</b>					
	–	–	1,030,583	1,030,583	
Neuhof-Ellers	–	–	322,070	322,070	
Werra	–	–	708,513	708,513	
<b>Landeshauptkasse Sachsen-Anhalt, Dessau-Roßlau, Saxony-Anhalt</b>					
	–	100,680	77,949	178,629	
Bernburg	–	100,680	–	100,680	
Braunsch- weig-Lüneburg	–	–	77,666	77,666	
Zielitz	–	–	283	283	
<b>Landeshauptstadt Hannover, Hanover, Lower Saxony</b>					
	254,746	–	–	254,746	
non-project-relat- ed payments	254,746	–	–	254,746	
<b>Samtgemeinde Grasleben, Grasleben, Lower Saxony</b>					
	386,542	–	–	386,542	
Braunsch- weig-Lüneburg	386,542	–	–	386,542	
<b>Stadt Bernburg, Bernburg, Saxony-Anhalt</b>					
	993,986	–	–	993,986	
Bernburg	993,986	–	–	993,986	
<b>Stadt Rheinberg, Rheinberg, North Rhine-Westphalia</b>					
	893,969	–	–	893,969	
Borth	893,969	–	–	893,969	
<b>Total</b>	<b>2,529,243</b>	<b>100,680</b>	<b>1,108,532</b>	<b>3,738,455</b>	

<sup>1</sup> Pursuant to Section 341r No. 3 b) of the German Commercial Code.

<sup>2</sup> Pursuant to Section 341r No. 3 c) of the German Commercial Code.

<sup>3</sup> Pursuant to Section 341r No. 3 f) of the German Commercial Code.

**NETHERLANDS****A.3**

in €	License fees, rental fees, entry fees <sup>1</sup>	Total
<b>Ministerie van Economische Zaken en Klimaat, Den Haag, South Holland</b>	<b>312,367</b>	<b>312,367</b>
Frisia	312,367	312,367
<b>Total</b>	<b>312,367</b>	<b>312,367</b>

<sup>1</sup> Pursuant to Section 341r No. 3 f) of the German Commercial Code.

**CANADA****A.4**

in €	Usage fees <sup>1</sup>	License fees, rental fees, entry fees <sup>2</sup>	Total
<b>Sask Water, Moose Jaw, Saskatchewan</b>	<b>3,162,635</b>	–	<b>3,162,635</b>
Bethune	3,162,635	–	3,162,635
<b>Ministry of Finance, Regina, Saskatchewan</b>	–	<b>14,631,408</b>	<b>14,631,408</b>
Bethune	–	14,631,408	14,631,408
<b>Ministry of the Economy, Regina, Saskatchewan</b>	–	<b>21,614,279</b>	<b>21,614,279</b>
Bethune	–	21,614,279	21,614,279
<b>Water Security Agency, Moose Jaw, Saskatchewan</b>	<b>557,461</b>	–	<b>557,461</b>
Bethune	557,461	–	557,461
<b>Total</b>	<b>3,720,096</b>	<b>36,245,687</b>	<b>39,965,783</b>

<sup>1</sup> Pursuant to Section 341r No. 3 c) of the German Commercial Code.

<sup>2</sup> Pursuant to Section 341r No. 3 f) of the German Commercial Code.

Kassel, June 30, 2023

**K+S Aktiengesellschaft**  
**Board of Executive Directors**