

## ASX ANNOUNCEMENT

5 April 2023

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY ADOPTED

South Harz Potash Limited (ASX:SHP) (**South Harz** or the **Company**) is pleased to announce that it has adopted a new Environmental, Social and Governance ('ESG') Policy (refer Appendix), tracking the company's ESG roadmap which is aligned with the Global Reporting Initiative ('GRI') framework and key UN Sustainable Development Goals ('SDGs').

The South Harz executive leadership team has a shared commitment and emphasis on implementing ESG best-practice principles and behaviours both throughout the Company and as early as possible in the advancement of the Ohmgebirge Potash Development and broader South Harz Potash Project. As part of this focus, the Company has progressively worked on a roadmap to create this ESG Policy, including appointing its Regional Director, Dr. Babette Winter, as the responsible person for its delivery.

Responsibility and sustainability are paramount to South Harz. Protecting the environment, engagement in social responsibilities and good governance are widely acknowledged as essential pre-requisites to success. To achieve this goal, within its ESG Policy the Company has defined clear priorities for its work, including high environmental and social standards:

- *Everything we do is aimed at protecting and preserving the environment in which our projects are located.*
- *We use modern technological and economical processes and integrate existing structures of the region.*
- *All project participants and supporters should benefit from our commitment: from our employees and the communities where we operate to our shareholders and other external stakeholders.*

In accordance with good practice, the ESG Policy is aligned with the following key SDGs:

SDG 2 "Zero Hunger"; SDG 6 "Clean water and sanitation"; SDG 12 "Responsible consumption and production"; SDG 13 "Climate action" and SDG 15 "Life on land".

South Harz commits to building a business with a minimized ecological footprint, without permanent stockpiles and without pollution of water bodies by brine. As a future miner of potash, an essential ingredient for fertilizer, the Company will contribute to the world's challenge to fight hunger.

**South Harz CEO, Luis da Silva, commented,** *"We are committed to building a potash mining business that is highly respectful of the environment in which we will operate. Protection of the environment, social responsibility, and engagement, as well as good governance, are essential components for our business activities and values."*

**South Harz Regional Director, Babette Winter, said,** *"We want to promote mining in the 21<sup>st</sup> century. This only works with constant awareness of environmental sensitivities, the understanding that we have to bring the local community with us and that our employees also play an important role in this. In addition, we are aware of the long tradition of potash mining in the Southharz District in Northern Thuringia."*

South Harz will incorporate the commitments laid out in its ESG Policy into all of its project feasibility study evaluations, design parameters and project permitting procedures. This includes:

- Strict environmental guidelines in mine planning and process facility design from the outset;
- Diversification of energy supply to minimize fossil fuels as a climate protection measure;
- Minimizing land use in the planning of our surface facilities;
- Involvement in local and regional education and culture;
- Compliance with legal requirements;
- Transparent and proactive stakeholder engagement; and
- Respect for the mining legacy in the region.

As a key next step, SHP will develop its ESG standards, measurement and reporting systems in line with national and international recognized frameworks and standards, including GRI and SDGs.

Attachment: ESG Policy paper

**This ASX release has been approved by Managing Director, Luis da Silva.**

### Investor and media enquiries

**Luis da Silva**  
Managing Director  
South Harz Potash Ltd  
[info@southharzpotash.com](mailto:info@southharzpotash.com)

**Michael Vaughan**  
Fivemark Partners  
+61 422 602 720  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)

**Justine James / Matthew Young**  
Alma PR  
+44 203 405 0205  
[shp@almapr.co.uk](mailto:shp@almapr.co.uk)

## About South Harz

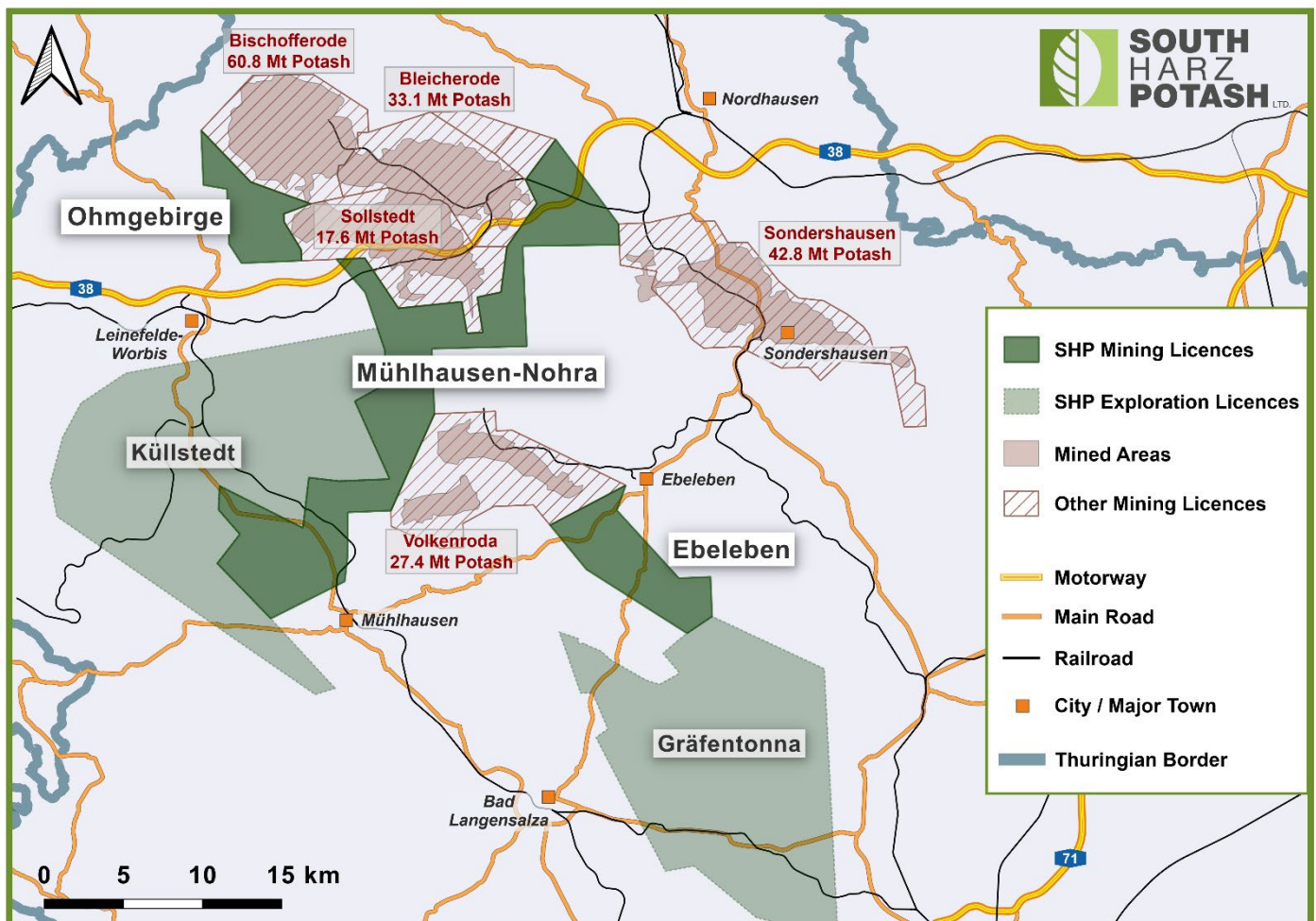
South Harz Potash (ASX: SHP) (**South Harz**) is a potash exploration and development company with its flagship project located in the South Harz Potash District region of Germany, midway between Frankfurt and Berlin.

The South Harz Project hosts a globally large-scale potash JORC (2012) Mineral Resource estimate of 5 billion tonnes at 10.6% K<sub>2</sub>O of Inferred resources and 258 million tonnes at 13.5% K<sub>2</sub>O of Indicated Resources across four wholly-owned project areas located favourably within central Europe.<sup>1</sup> This comprises three perpetual potash mining licences, Ohmgebirge, Ebeleben and Mühlhausen-Nohra, and two potash exploration licences, Küllstedt and Gräfentonna, covering a total area of approximately 659km.

With strong established infrastructure proximate to the key European market, the South Harz Project is well positioned to enable rapid economic development across multiple deposits.

## South Harz Potash: Growing a responsible potash business in the heart of Germany

[www.southharzpotash.com](http://www.southharzpotash.com)



1. Refer to South Harz ASX release dated 12 July 2022 for full Mineral Resource estimate details. In accordance with ASX Listing Rule 5.23, the Company is not aware of any new information or data that materially affects the information included in this release, and the Company confirms that, to the best of its knowledge, all material assumptions and technical parameters underpinning the estimates in these releases continue to apply and have not materially changed.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) strategy**

*Approved by the Board of Directors on 14 March 2023*

The Directors of South Harz Potash Ltd (SHP) and its wholly owned subsidiary, Südharz Kali GmbH (the “Company”) recognize that a broad range of both financial and environmental, safety, health, social and governance (ESG) factors can affect the sustainability of a business and the creation of shareholder value. Our executive leadership team have a shared emphasis on implementing ESG best practice principles and behaviors as early as possible in the project life cycle.

In May 2021 the company published an ESG-Policy Statement which laid down the overall commitment to develop the company and its’ projects in a sustainable and responsible manner based on strong environmental and social responsibility and good governance. Meanwhile the company worked on a roadmap creating an ESG-strategy and appointed a responsible person at director level.

We are committed to building a potash mining business that is highly respectful of the environment in which we will operate. Protection of the environment, social responsibility, and engagement as well as good governance are essential components for our business activities and values. We are trustworthy in what we do, sensitive about environment and nature and will contribute to food security with our potash mining.

Responsibility and sustainability are paramount to us. To achieve this goal, we have defined clear priorities for our work, including high environmental and social standards:

- Everything we do is aimed at protecting and preserving the environment in which our projects are located.
- In our work, we use technologically modern and at the same time economical processes and integrate existing structures of the region.
- All project participants and supporters should benefit from our commitment: from our employees and the communities in which we operate to our shareholders and other stakeholders.

Our strategy is aligned with the United Nations global Sustainable Development Goals (SDGs), particularly those where we believe we can make the greatest contribution. These are SDG2 “Zero Hunger”, SDG6 “Clean Water and Sanitation”, SDG12 “Responsible Consumption and Production”, SDG13 “Climate Action” and SDG15 “Life on Land”.

We are committed to building our business with a minimized ecological footprint, without permanent tailings stockpiles and without pollution of water bodies by brine (SDG 6, 12, 13).

As a future miner of potash, an essential ingredient for fertilizer, we will contribute to the world's challenge to fight hunger (SDG2)

The South Harz region of Thuringia has a century-old potash mining history and a highly developed understanding of this industry. As a relative newcomer, SHP has no mining history or legacy issues and as such, we have the opportunity, capability and indeed the ambition, to design and build a business based on best practice ESG criteria from day one.

#### Environmental and Social Commitments:

As regards the environment, the company will focus on emissions and resource consumption. Based on the environmental impact minimization hierarchy agreed by the European Union, we will first and foremost avoid any environmental impact as far as possible, reduce impact and resource use which cannot be avoided, reuse resources where possible, recycle resources that cannot be reused and minimize any material disposal. These commitments underline our aim to backfill all permanent residual materials from mining and to design our facilities and operations in such a way that water bodies are never polluted with brine.

We are a company which values and welcomes diversity. We aim to build a diverse team as regards inter alia skills, age, gender, color and national origin.

Our project is located in Germany where high standards in occupational health and safety and working conditions are a matter of course. Compliance with these high standards is therefore a given. In addition, we will promote and create good training conditions in the region in the field of mining and related activities.

We are committed to supporting educational, social and environmental engagement with a specific focus on the region in which we operate. A dedicated budget has been created to support and sponsor projects in the areas of social engagement, inclusion, and education with an emphasis on future mining in the region. Additionally, the company will support projects in environmental education, improving the environment and nature in the region.

The company will make compensation payments for its unavoidable international air travel.

#### Corporate Governance:

SHP's potash mining projects will become an integral part of the South Harz region. Thus, our stakeholder communication is crucial to the acceptance by all the different parties contributing to or affected by the project, including communities, employees, customers, suppliers, business partners, NGOs, policy makers, investors, and regulators.



We have strong accountability areas and commitments in place, as demonstrated by our ESG Policy, Code of Conduct, Corporate Governance Plan and committee charters. We will continue to build upon these to further enhance ESG responsibility and accountability. We will also develop a reporting and performance management framework as we grow.

We plan to develop our ESG reporting in line with national and internationally recognised frameworks and standards including the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (UN SDGs).

We will incorporate our ESG-commitments into the company's project feasibility studies and project permitting procedures, which means:

- Strict environmental guidelines in mine planning and process facility design from the outset
- Diversification of energy supply to minimize fossil fuels as a climate protection measure
- Minimizing land use in the planning of our surface facilities
- Involvement in local and regional education and culture
- Compliance with legal requirements
- Transparent and proactive stakeholder engagement
- Respect for the mining legacy in the region

SHP wishes to emphasize its ESG-commitments from the outset. Therefore, we have identified concrete ESG-measures that are applicable to the development of the company. These are set out in the appendix of this document.

Compliance with this policy by all employees is mandatory and willful non-compliance will result in management action. In extreme cases it may result in criminal or personal civil sanction.

Signed on behalf of the Board of Directors



Luis da Silva

CEO