



Sustainability Report

2022



Australian Potash Limited acknowledges the Wadjak, Wongi and Wongatha people on whose country we work and meet, and pays respect to their Elders, past, present and emerging. We pay respect to all past and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

PURPOSE:

To deliver maximum shareholder value through the development of stable and sustainable projects whilst acting lawfully, ethically and responsibly.

VISION:

To be a producer of premium Sulphate of Potash to assist sustainable farming practices world wide.

VALUES:

- We will demonstrate **awareness** of our surrounds and undertake **stewardship** of the natural and cultural environment
- We will engender **inclusiveness** through **respect** for our people
- We will encourage **collaboration** and support **unity** of purpose within the communities within which we operate
- We will act with **honesty** and **integrity** and hold ourselves to the highest standards in governing our business

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Case Studies



This report should be read in conjunction with public announcements made by Australian Potash Limited during the reporting period.

Message to Stakeholders

This is the inaugural Sustainability Report of Australian Potash Limited (ASX: APC) (**APC**, the **Group** or **Company**) presenting our Environmental, Social and Governance (**ESG**) performance, activities and endeavours. It provides an opportunity to look inwards at ourselves and our culture and assess how we stand up against our stated core values. This Report will allow us to benchmark against future years' sustainability activities, performance and goals.

The Board has established a Risk & Sustainability Committee to elevate the importance of sustainability as a guiding principle for the development and growth of APC. The Board's aim is to follow industry best practice at all times.

APC's sustainability pledge is to deliver maximum shareholder value through the development of stable and sustainable projects whilst acting lawfully, ethically and responsibly. We want to ensure that our people are safe and well supported, local communities benefit from our presence and we demonstrate strong environmental stewardship.

The safety of our people is always paramount, with extra pressure this past year with the influx of COVID-19 variants sweeping across Australia. Our actions to mitigate the spread of COVID-19 included adopting the practices of leading mining companies with similar field operations in terms of geographic and logistical isolation. Strictly following government guidelines also helped to mitigate the spread of the virus through our people, which includes extended family and community members.

One of our proudest achievements this year, which will be an ongoing commitment, is the Laverton Training Centre. This vocational training centre was established and funded by APC and provides nationally recognised and accredited courses. The first course commenced in February 2022 and offers local Aboriginal people a pipeline of opportunity through training to employment. APC's indigenous engagement strategy for the Lake Wells Sulphate of Potash Project (**LSOP** and **Project**) targets 12-15% employment participation by Aboriginal people.

Environmentally, LSOP is a leading sulphate of potash (**SOP**) project in terms of greenhouse gas emissions profile when compared to other brine SOP and the Mannheim SOP production processes.

We are measuring our sustainability activities against the GSSB Global Reporting Initiative (**GRI**) Standards and our disclosures are informed by the Taskforce for Climate-related Financial Disclosures (**TCFD**) framework. We have also considered our contribution to the United Nations' Sustainable Development Goals (**UNSDG**).



This Report allows us to improve upon ongoing Environmental, Social and Governance activities to provide measurable accountability, greater scrutiny and credible transparent disclosure.

Dr Natalia Streltsova
Non-Executive Chair

Matt Shackleton
Managing Director & CEO

About this Report

This is Australian Potash Limited's inaugural Sustainability Report. This Report presents the ESG initiatives of Australian Potash Limited and its controlled entities, including exploration, development and the Laverton Training Centre. This report does not cover the Lake Wells Gold Project, which for the financial reporting period was a joint venture with St Barbara Limited (ASX: SBM).

This Report should be read in conjunction with the Group's **2022 Annual Report** and public announcements made during the reporting period. It has been prepared for our stakeholders, including our investors, employees, contractors, suppliers, local communities, customers and any reader interested in better understanding our Company.

This Sustainability Report is for the financial year ended 30 June 2022. Financial figures are in Australian dollars unless otherwise stated.

The Report has been prepared in accordance with GRI Sustainability Reporting Standards (**GRI Standards**): Core option and also considers the TCFD and UNSDG. The content is based on the Company's assessment and determination of its material sustainability topics, including both risks and opportunities, that could impact the Company and significantly influence the assessment and decisions of its stakeholders.

As this is the Company's first Sustainability Report, there are no restatements of information or other changes in reporting. Whilst this specific report has not been data assured, we do aim to have the data used in future reports assured.

We welcome your feedback on this report and any other aspect of our business and encourage readers to send any comments to admin@australianpotash.com.au.

About the Company

Australian Potash Limited is a publicly listed company on the Australian Securities Exchange with an office in Perth, Western Australia.

APC holds a 100% interest in the Lake Wells Sulphate of Potash Project, located approximately 500km northeast of Kalgoorlie, in Western Australia's eastern Goldfields. The Company is finalising pre-development plans for commencement of construction of the LSOP. First production is scheduled for 31 months from a Final Investment Decision.

Detailed information regarding the Company's activities is available in the **2022 Annual Report**, which incorporates the **2022 Financial Report** (for the year ending 30 June 2022).

Our Sustainability Approach

APC recognises that it has a role to play in contributing to global sustainable development. Our purpose is to deliver maximum shareholder value through the development of stable and sustainable projects whilst acting lawfully, ethically and responsibly. We want to ensure that our people are safe and well supported, local communities benefit from our presence and we demonstrate strong environmental stewardship.

We continue to invest time, effort and resources into improving our performance to achieve measurable value for our business and the communities in which we operate.

The APC Board is serious about its oversight responsibilities in relation to the Company's risk management systems, governance and sustainability programs, environmental and community obligations, ethical standards, code of conduct and compliance procedures. It has established the Risk & Sustainability Committee to support its effort in this regard.

The role of the Risk & Sustainability Committee includes:

- the identification and management of operational, occupational health and safety, land tenure, environmental, compliance and social sustainability risks;
- assisting the Board with monitoring and review of the Company's risk culture;
- developing, reviewing, monitoring and approving (as appropriate) the Company's sustainability strategy and providing advice to management on associated implementation plans and other issues that may impact the Company's sustainability;
- approving policies and initiatives that ensure best practice risk management, reflect stakeholder expectations and influence the Company's reputation as a responsible and sustainable organisation; and
- reviewing and monitoring the Company's compliance with legal and regulatory obligations, internal policies and industry standards.

The Risk & Sustainability Committee membership currently comprises all directors, reflecting the importance that the Board places on these matters. Since its establishment in late 2021, the Committee has met three times.

Reporting Framework

GRI Standards

The GRI Standards are designed to be used by organisations to report about their impacts on the economy, the environment and society. The GRI Standards are a structured set of inter-related standards. They have been developed primarily to be used together to help an organisation prepare a sustainability report which is based on the reporting principles and focuses on material topics.

The GRI Sector Standard for Mining is currently under development. In the meantime, APC has reviewed the available Topic Standards and considered those relevant to the Company’s operations in the context of its identified material topics. These are:

- GRI 205 Anti-corruption
- GRI 307 Environmental Compliance
- GRI 401 Employment
- GRI 402 Labour Management Relations
- GRI 403 Occupational Health and Safety
- GRI 404 Training and Education
- GRI 405 Diversity and Equal Opportunity
- GRI 406 Non-Discrimination
- GRI 411 Rights of Indigenous Peoples
- GRI 413 Local Communities

In line with the scope of the Company’s activities, the focus in the forthcoming year will be additional disclosure around the following GRI Standards:

- GRI 204 Procurement Practices
- GRI 302 Energy
- GRI 304 Biodiversity
- GRI 305 Emissions
- GRI 306 Waste

TCFD

The Company supports the recommended TCFD approach and will endeavour to report against the TCFD in future years as it relates to the scope of the Company’s activities. APC is committed to implementing an effective and transparent engagement strategy with our people, local communities, Traditional Owners, contractors and suppliers to ensure APC’s optimal response to climate adaptation and impact reduction both within our Company and in our environment. Our climate response will form a core component of the sustainability strategy we are developing in 2022/23.

Core Elements of recommended Climate-Related Financial Disclosures



Governance: The organisation’s governance around climate-related risks and opportunities

Strategy: The actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning

Risk Management: The processes used by the organisation to identify, assess and manage climate-related risks

Metrics and Targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Figure 1: TCFD Framework

Creating a Timeline for Disclosure

- **2021/22: Establishment of Risk & Sustainability Committee and internal ESG working group**
- **2022/23: Gap analysis and benchmarking to establish climate governance principles**
 - Benchmarking exercise against industry peers and setting a baseline reference point for APC’s actions and disclosures in relation to climate related risks and opportunities;
 - Conduct of a gap analysis of existing processes, data and disclosure against the TCFD required governance disclosures; and
 - Review of benchmarking and gap analysis by the Board to understand where APC’s current disclosures are and develop an action plan towards adopting the TCFD recommendations over the coming years.

- **2023/24: Identify and validate physical and transitional risks**

The Company will identify transitional and physical risks during a workshop between the Risk & Sustainability Committee and senior management. Opportunities associated with climate change will be identified simultaneously.

- **2024/25: Scenario planning**

Once key transitional and physical risks are identified, scenario planning will be performed. Scenario planning does not predict the future but rather will allow the Company to better understand the impact of climate change and how it could affect the Company. Climate change presents unprecedented challenges in terms of complexity and scale.

Scenario modelling offers the chance to have strategic conversations about the future. Consideration is given to where the world might be and what the plausible outcomes and impacts might occur. Once completed, the Risk & Sustainability Committee can determine the next steps for mitigating the risks identified and implement strategies to assist the Company in creating a stronger level of compliance.

UNSDG

The Sustainable Development Goals are a call for action by all countries – poor, rich and middle-income – to promote prosperity while protecting the planet. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection.

There are 17 goals and of these, APC has identified nine that cover areas in which we feel that we are able to contribute:



Sustainability Strategic Pillars



Environment

We are committed to awareness of our surrounds and environmental stewardship



People

We are committed to safeguarding the health, safety and wellbeing of our people



Community

We are committed to encouraging collaboration and supporting unity of purpose



Governance

We are committed to acting with honesty and integrity

Material Topics

APC has identified the following topics as being material to our stakeholders and business in 2021/22:



Environment

- Low carbon emissions
- Climate change and adaption
- Rehabilitation



People

- Health and safety
- Employee attraction and retention



Community

- Native Title
- Cultural heritage training
- Laverton Training Centre



Governance

- Board and leadership
- Risk management
- Ethics
- Anti-bribery and anti-corruption

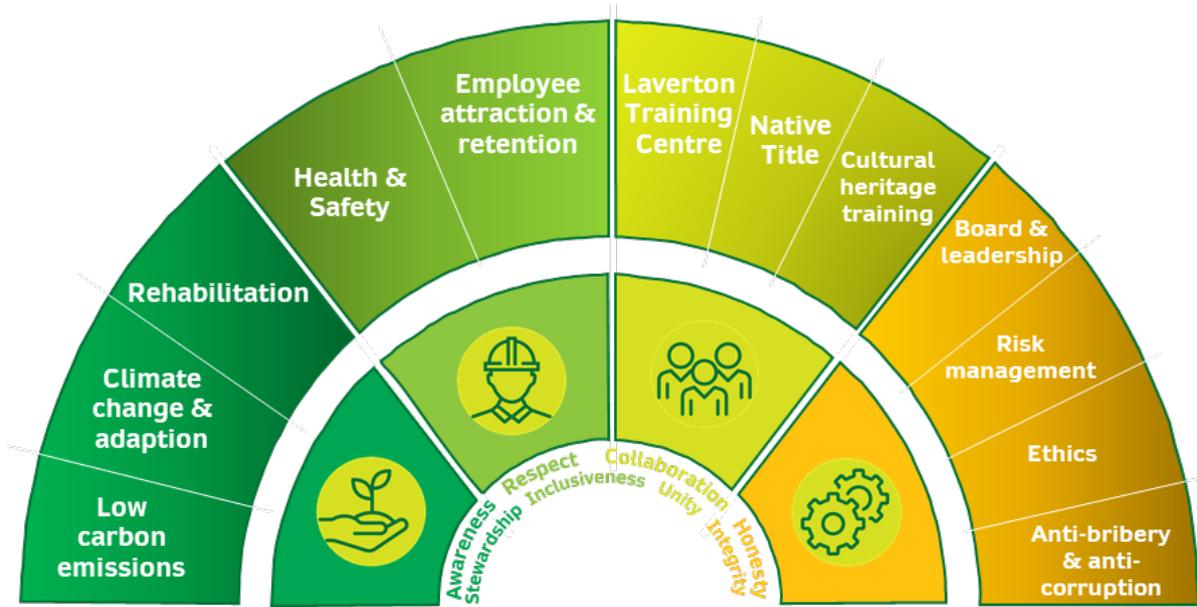


Figure 2: APC's Values, Sustainability Strategic Pillars & Materials Topics



Example of proposed LSOP microgrid component



Laverton Training Centre certificate ceremony



LSOP environment

Our Environment



APC's commitment to awareness of our surrounds and environmental stewardship includes:

- Environmentally sustainable production and minimal footprint bore abstraction (nil trenching) at the LSOP;
- Low carbon emissions from a high penetration renewable power solution and brine solar-salt production; and
- Organically certified product supporting sustainable agriculture for global food supply.



APC is pursuing the sustainable use of resources to avoid or minimise our environmental impacts. We are committed to continued improvement in the identification, assessment, mitigation and monitoring of the environmental impact of our operations.

Our activities are regulated by relevant local, state and federal legislation and associated guidance documentation, along with APC's Statement of Commitment to the Environment, environmental management plans and site-based plans and procedures.

Continuous improvement of our environmental performance will concentrate on environmental compliance and increased environmental awareness across the Company. These tasks began in 2022 and will continue during 2023.

Approvals

All primary environmental and mining approvals for the LSOP development are in place.

The Department of Mines, Industry Regulation and Safety approved the Mining Proposal and Mine Closure Plan in January 2022, which permits the commencement of mining operations.

The LSOP was referred to the Office of the Environmental Protection Authority (**OEPA**) under Section 38 of the *Environmental Protection Act 1986* on 21 December 2017. On 5 February 2018, the OEPA determined that this Project would be assessed at the level of Environmental Review with no public review (OEPA Assessment No. 2144). The EPA Report (1688) was issued on 7 September 2020 (OEPA 2020a) and APC received Ministerial approval for the Project through the issue of Ministerial Statement 1162 (**MS1162**) on 1 February 2021. In January 2022, approval was received from the OEPA for changes to MS1162. The changes reflect the updated operational scope since the original application was submitted.

Management plans associated with various environmental aspects – such as flora, fauna and waste – for the LSOP have been developed or are in progress as we move closer to construction and operations.

Compliance

There have been no significant fines or sanctions resulting from non-compliance with environmental laws and regulations. The 2022 Compliance Assessment Report lodged with the Department of Water and Environmental Regulation in April 2022 is located on the website www.australianpotash.com.au.

Environmental Targets

The Company has set the following Environmental Targets:

- **No externally reportable incidents**
We aim to conduct our activities in accordance with the conditions imposed by MS1162 which provides environmental approval for LSOP.
- **No significant impacts to protected or threatened species**
We aim to undertake continuous monitoring of the presence of protected or threatened species and avoid these where possible. We will update flora and fauna records to continually improve knowledge of species' distribution and include this information in project planning.

Environmental Initiatives

Bore Abstraction

The LSOP is a 100% borefield sulphate of potash project with zero kilometres of trench abstraction. Being developed without any recourse to a trenching system to abstract, or mine, the potassium rich brines makes the LSOP unique amongst its peers.

Sandalwood Harvesting

APC engaged with the Forest Products Commission (FPC) for almost two years on a program to salvage a large quantity of sandalwood where the harvest ponds will be constructed at the LSOP. In mid-2021, sandalwood salvaging works were completed by the team from Yonga Djena, a local indigenous company. APC assisted with the works by providing ablution facilities and raw water supply. A piece of sandalwood from Lake Wells has been procured from FPC and is mounted and displayed at the APC head office in Subiaco.

Organic Certification

The organic farming market is fast growing as the world moves to more sustainable farming practices. The K-Brite™ SOP product from the LSOP has already received organic certification from major certification agencies.



ECOCERT, a leading organic certification agency for Europe established in France in 1991, has classified K-Brite™ as suitable for use in international organic farming in compliance with European regulations as allowed under European regulation EC834/2007. K-Brite™ will be distributed through European jurisdictions via an offtake agreement in place with Helm AG.

The European Union (**EU**) has announced a goal of reaching 25% of the total European agricultural area as organic farmland by 2030. Organic farmland currently makes up 7.7% of the EU's total agricultural land.

K-Brite™ Potassium Sulphate SOP will appear in the OMRI Products List following its approval for use in certified organic production or food processing in compliance with the US Department of Agriculture National Organic Program. The Organic Materials Review Institute is the premier organic certification body in the US and is an international non-profit organisation that determines which input products are allowed for use in organic production and processing. K-Brite™ will be distributed across the US via an offtake agreement in place with HELM USA.

ACO Certification Ltd is Australia's largest certifier for organic and biodynamic produce and has recognised K-Brite™ Potassium Sulphate SOP as compliant with the requirements set out in the Australian Certified Organic Standard 2021 (Version 1). This certification ensures compliance with national and international production standards and allows trace back of all products to their origin. K-Brite™ will be distributed throughout Australia and New Zealand via an offtake agreement in place with Redox.

Funding Green Verification

Debt issued to develop the LSOP will be granted Green Loan verification in line with the Green Loan Principles adopted by the Loan Market Association and the Asia Pacific Loan Market Association. The Green Loan Principles build on and refer to the Green Bond Principles and can apply to a new or existing Green Project.

The verification confirms that Lake Wells will make a positive environmental contribution to the global production of SOP and ensures that APC will adopt a governance and reporting framework in line with the Green Loan Principles.

Waste Management

APC utilises recycling programs where available for products consumed/used in the day to day running of its office.

Examples of this practice include the following;

- utilising the recycling program that Nespresso offers for used coffee pods by providing a recycle box. Once the box is full it is collected from the office by means of booking a courier through the Nespresso site;
- all used toner cartridges, waste containers etc. are stored in a box and then collected by an organisation called Close the Loop at no charge;
- all used batteries are collected in a bag and are disposed of at an outlet such as Bunnings; and
- any e-waste products such as printers, computers etc. are disposed of through the appropriate channels.

Low Carbon Emissions

APC recognises the importance of the reduction of greenhouse gas (GHG) emissions. The Company is registered with the National Greenhouse Emissions Reporting scheme. During the reporting year the Group did not meet either a facility or a group threshold for scope 1 or scope 2 emissions of greenhouse gases or for energy consumption or energy production.

APC is committed to ensuring the LSOP has a low carbon footprint. During the year a Carbon Footprint study was commissioned by APC to determine GHG emissions from LSOP compared to other sources of sulphate of potash. More details on the study are included in the case study below.

Case Study: Low Carbon Emissions

In mid-2021, the Company commissioned an assessment of the LSOP’s GHG footprint as part of its preparation for compliance with the Sustainable Finance Disclosure Regulation regime, effective in Europe from 10 March 2021. This assessment, taking into consideration the power balance across the Project and energy usage through to ports of loading in Western Australia, concludes that the Project will produce a CO₂-e GHG that is materially lower than either a comparable Mannheim operation (LSOP<Mannheim by 68%) or solar-salt/brine operation (LSOP<other by 49%). The Mannheim process involves the reaction of potassium chloride with sulphuric acid using the Mannheim furnace requiring temperatures that range between 600°C and 700°C which is very energy intensive.

The study was performed by Novopro, a Canadian project development, engineering, and management company, operating in a number of mineral and metallurgical fields, specialising in potash mining and processing plants. Novopro has conducted carbon footprint estimations for multiple potash projects (muriate of potash and SOP) in different areas of the world.

LSOP’s direct and indirect GHG emissions were compared against other brine SOP producers and Mannheim reaction produced SOP.

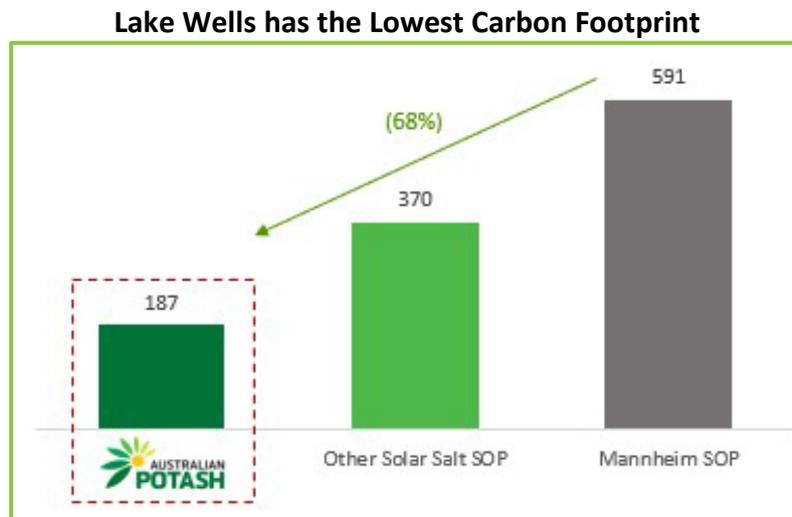


Figure 3: Greenhouse gas emissions¹ (kg CO₂eq/tonne SOP scope 1, 2 & 3)

¹ Refer ASX announcement 7 September 2021

GHG Emissions (kg CO ₂ e/tonne SOP)			
Scope	LSOP	Other brine SOP production	Mannheim SOP production
1: Direct emissions Including diesel for mobile fleet and natural gas combusted at site	20	123	135
2: Indirect emissions Including emissions from energy produced by third-party providers	64	134	35
3: Reagent emissions Including GHG emissions accounted for by third-party manufacture of major reagents	103	113	421
Total	187	370	591

Figure 4: Greenhouse gas emissions (kg CO₂e/tonne SOP scope 1, 2 & 3)

Climate Change and Adaption

The resources industry acknowledges the contributions the sector makes to GHG and climate change. APC recognises that climate-related risk may impact our business. As part of our timeline for disclosure under the TCFD, a priority for 2022/23 is a gap analysis and benchmarking exercise which will carry forward into 2023/24 where the focus will be identifying physical and transitional risks associated with climate change.

Renewable Power

Implementation of renewable energy solutions is a key element of our Low Carbon Footprint Plan. Further details are outlined in the case study below.

Case Study: Renewable Power Microgrid

PWR Hybrid has been awarded Preferred Proponent status to build, own and operate a ~35MW hybrid renewable microgrid at the LSOP. The microgrid will integrate an innovative gas-fuelled power station with solar PV, wind and battery energy storage technology which is expected to achieve a Renewable Energy Fraction (**REF**) above 65%. In terms of REF, the hybrid facility will become one of the leading remote mine site power installations in the country, supplying energy to Australia's greenest SOP project.

Engine selection will be based upon the capability to utilise gas and hydrogen, including zero emissions green hydrogen from renewable sources. The microgrid will be developed in a staged approach, with the thermal component to be completed within 15 months of the Company making a final investment decision. This timeline ensures power supply preparedness for steady state operations.

PWR Hybrid brings over 28 years of experience in developing power solutions to remote sites across the globe, including more than 350MW of solar installations. Partnering with some of the leading global suppliers of renewable and thermal power generation and plant design, PWR Hybrid continues to leverage its several decades working in the Australian mining industry to develop innovative and practical hybrid energy solutions.

The technical scope of the microgrid early contractor involvement process is:

Indicative Installed Capacity (MW)					
Solar	Wind	BESS	Gas	Diesel	TOTAL
4.5	9	9	10.7	2	35.2

Figure 5: LSOP Renewable Power Microgrid technical scope

Rehabilitation

The LSOP Mine Closure Plan was approved during the year and outlines a comprehensive plan of rehabilitation works to be undertaken at the conclusion of mining operations. In the meantime, APC endeavours to minimise the land clearing and ground disturbance generated through its activities.

During 2021/22, APC had a total tenement land package of 192,236 hectares which was disturbed by exploration and early works development activities to the extent of 3.94 hectares.

Case Study: Causeway & Trial Evaporation Ponds' Rehabilitation

A causeway was constructed across a playa during 2016 to provide access to the Lake Wells site. Rehabilitation of the shoulders has taken place progressively over time and its success is demonstrated in the images below:



Before (Causeway Construction 2017)



After (Causeway Rehabilitation 2022)

The Company completed an off playa evaporation pond trial at the LSOP through 2017 and 2018 which played a significant role in de-risking many technical design aspects of the Project's development. Covering an area of over one hectare, the trial area sat on the margin between a playa lake surface and adjacent gypsum dune. Earthwork rehabilitation of the facility was undertaken in 2019. Since completion of the initial rehabilitation the Company has continued to monitor the natural revegetation of the area, where two wet seasons have prompted endemic species to re-emerge.



Before (Evaporation Pond Trial 2017)



After (Evaporation Pond Rehabilitation 2022)

Monitoring is ongoing, and lessons learnt are being applied to current and future activities. An example of this is the bore pad completed for WB50 which has been constructed with a large sump to contain the brine along with a topsoil stockpile for later rehabilitation.



WB50 bore pad with top soil stockpiled for use in later rehabilitation

Our People



APC's commitment to safeguarding the health, safety and wellbeing of our people includes:

- Plan, Do, Check, Act culture;
- ISO45001 Principles developed into Occupational Health & Safety (**OH&S**) framework;
- Diversity obligations; and
- Employee Assistance Program.



Health and Safety

APC is committed to safeguarding the health, safety and wellbeing of all employees and contractors. We take a universal approach, which is articulated in our Statement of Commitment to Health & Safety and means we will:

- Promote safety and health as a primary consideration in our day to day operations.
- Ensure the necessary people, training, procedures and resources for the safe undertaking of work are provided in a timely and effective manner.
- Implement such policies, procedures and practices as to ensure that we are compliant with all applicable legislation, standards and relevant codes of practice.
- Strive for operational performance equal to, or better than, the industry safety performance indicators as published by the Department of Mines, Industry Regulation and Safety (Western Australia).
- Consult with and involve our employees and contractors in the ongoing improvement of safety and health performance.
- Manage risk by implementing processes to identify, assess, monitor and control hazards.
- Undertake regular reviews of safety, health and risk management systems.

The Company employs a Plan, Do, Check, Act culture to apply the appropriate behaviours and work practices that contribute to a safe workplace. Hazard identification and incident reporting processes are built into the OH&S Management System and are supported by the INX software and the Company's risk management framework, all of which are expanded upon below.

Governance and performance of health and safety is monitored by the Risk & Sustainability Committee, which then reports to the Board of Directors.

Occupational Health & Safety Management

The OH&S Management System applies to all matters arising out of APC's business activities which may impact the health and safety of employees, contractors, the environment and the communities

in which the Company operates. All regions and business units of the organisation are included in the scope of the management system, which is based on ISO Standard 45001:2018.

Health & Safety Performance

Health Performance

There were no work-related ill health fatalities or recordable incidents during 2021/22.

Due to the nature of the early works activities undertaken at LSOP to date, the potential work-related hazards posing a risk to ill health are limited to dust and other ambient environment factors. All personnel wear the appropriate personal protective equipment to manage these hazards and minimise risk.

Safety Performance

APC utilises Total Recordable Injury Frequency Rate (**TRIFR**) per million hours worked on a rolling 12-month basis. The TRIFR per million hours worked was 124.14 for the year. Comparative TRIFR data for our potash peer group is not readily available. Although the injuries were all low severity we consider our TRIFR performance unacceptable and are committed to improvement. This improvement starts by working closely on health and safety programs and performance with our various contractors.

There were no fatalities or any serious life changing injuries during the reporting period. The Lost Time Injury Frequency Rate per million hours worked (**LTIFR**) reported was 35.47 for the year. The benchmark for the Western Australian mining industry is 5.8 per million hours².

In 2022, there were seven recordable injuries, of which six were associated with the drilling contractor and six were reportable to the regulator. The majority of injuries were low-severity muscle strain. Consistent with the nature of mining and exploration in Western Australia, the number of injuries for contractors was higher than for employees as outsourcing of mining and exploration services is a common feature of the WA industry.

Injury Frequency Rates	2022
Total Work Hours	
Employees	15,721
Contractors	40,665
LTIFR Lost Time Injury Frequency Rate per million hours worked	35.47
MTIFR Medical Time Injury Frequency Rate per million hours worked	17.73
RDIFR Restricted Duty Injury Frequency Rate per million hours worked	70.94
Total Reportable Injury Frequency Rate TRIFR per million hours worked	124.14
Fatalities	0

² As published in the WorkCover WA industry Benchmark Report 2018/19-2020/21 dated August 2022

During the year employees attended training sessions to develop their skills in hazard reduction and first aid and site personnel hold a safety discussion every morning on a different subject.

APC introduced the INX system for management of health and safety data including onboarding compliance, incident reporting, investigation actions and outcomes and training records during 2022. Further information on the INX software implementation project is available on page 36.

The Company is committed to continuous improvement of the OH&S Management System and is cognisant of the changing legislative requirements in Western Australia. As we evolve from early works into construction and then production, the OH&S Management System will develop and advance.

Employee Assistance Program (EAP)

APC offers a free professional and confidential counselling service for all employees and their immediate family members. The EAP covers a variety of areas such as stress, workplace bullying and depression. Our goal is the promotion of long term health and wellbeing.

Working Life are our current EAP provider and can be contacted 24/7 to provide support. All calls made to Working Life are answered by an experienced and qualified counsellor and held strictly confidential between the counsellor and the caller.

Due to our relationship with Working Life, all employees had the opportunity to attend free webinars during the year on topics including Fatigue, Managing COVID-19 in 2022, Work-Life Balance, Nutrition that Suits You, Connection & Trust, Men's Health and The Importance of Emotions at Work.

COVID-19 Response

We implemented and will continue to proactively implement protocols and systems to safeguard our people, manage risk and overcome any impacts on our activities from the COVID-19 pandemic.

Key measures implemented since ~March 2020 include:

- maintaining health and safety systems in line with formal guidance of State health authorities;
- provision of appropriate pandemic personal protective equipment and co-ordination of appropriate testing regimes;
- boosting workforce social distancing measures across workplaces; and
- enhanced workforce communication and promotion of APC's health and wellbeing programs, including mental health.

Employee Attraction and Retention

APC recognises the importance of its people to the success of the Company and is committed to engendering inclusiveness through respect and managing employment relationships based on its values and with the aim of maintaining a strong, multi-skilled and motivated workforce that recognises talented people with opportunity, challenge and reward.

To achieve this, APC will:

- Provide leadership consistent with the Company's values of:

- Respect and inclusiveness
 - Awareness and stewardship
 - Collaboration and unity
 - Honesty and integrity.
- Reward its people and offer career opportunities based on fair and equitable assessments of the individual performance, attitudes and behaviours and the needs of the Company.
 - Provide development and learning opportunities consistent with individuals’ abilities and aspirations and the needs of the Company.
 - Be sensitive to personal preferences and wellbeing and endeavour to provide an equal opportunity workplace free of harassment and discrimination.
 - Encourage open communication and strive to resolve all issues that may result in disputation internally and in a positive and constructive manner.
 - Value its employees and seek to engage them at all levels.

Our people are split between Perth head office and site (WA Goldfields) operations. Site based employees work on a fly-in fly-out basis as our nearest community is small and not able to meet our employment needs at present. Our senior management all reside in Perth.

The same employment benefits are offered to all full-time and part-time employees including participation in the Company’s incentive plans and parental leave. APC’s parental leave entitlements are aligned to the minimum requirements of the *Fair Work Act 2009* (Cth). No employees took parental leave in 2022.

Minimum notice periods for termination of employment can vary from four to 26 weeks, depending on the employee’s location, role and terms of contract. The Company’s endeavours to consult with all impacted personnel and provide at least four weeks’ notice in relation to any substantive operational changes (eg. site rosters).

The Company’s statistics in relation to new hires and turnover for 2021/22 are provided in the table below.

	New Hires		Turnover	
	#	%	#	%
Total Employees (Australia)	8	35.69	9	40.07
Male	6	41.40	7	48.17
Female	2	20.17	2	20.17
Under 30 years of age	0	-	0	-
30 – 50 years of age	3	27.69	4	36.78
Over 50 years of age	5	36.81	5	36.81

Diversity & Employment Equal Opportunity

APC recognises the benefits arising from diversity, including a broader pool of high quality employees, improving employee retention and motivation, accessing different perspectives and ideas and benefitting from all available talent. The Company also takes its obligations seriously with respect to equal employment opportunity, and decisions affecting employment and career development, including, but not limited to recruiting, promoting, assigning work, training, promoting, upgrading, developing and retaining employees and future employees, are subject to fair employment practices.

The Company’s diversity objectives include:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- an inclusive workplace where discrimination, harassment, vilification and victimisation cannot and will not be tolerated;
- improved employment, talent management and career development opportunities for women;
- commitment to indigenous employment and local community engagement;
- enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity.

Remuneration and benefits are reviewed annually, and part of this process going forward will be to identify any gender pay gap issues in like-for-like roles once the size of the workforce provides for such.

There were no reported incidents of discrimination in 2022.

The Company’s gender diversity performance at 30 June 2022 is illustrated below:

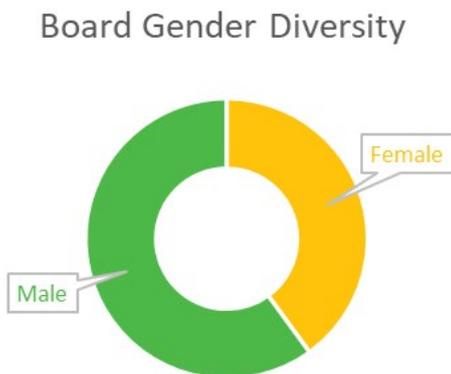


Figure 6: Board Gender Diversity at 30 June 2022

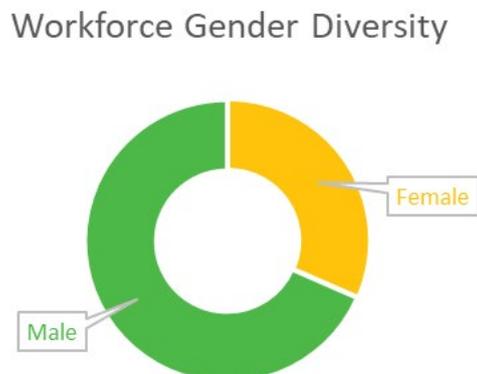


Figure 7: Workforce Gender Diversity at 30 June 2022

The Company’s age group diversity performance at 30 June 2022 is illustrated below:

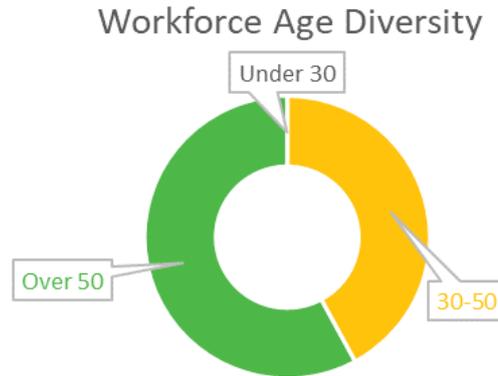


Figure 8: Workforce Age Diversity at 30 June 2022

Indigenous Employment Strategy

APC’s Indigenous Employment Strategy is a pillar of its overarching Indigenous Engagement Strategy and incorporates the Employee Cultural Commitment Program. Across the various stages of development of the LSOP, the Company has established indigenous employment targets of between 12% and 15%, which will apply to APC and contractors appointed to undertake work packages.

Through its partnership with the Waalitj Foundation, APC will identify local indigenous people with ready-for-work, and work competent, skill sets. The Company will collaborate with the Foundation on a case by case basis to develop individual career development pathways, with the responsibility for career advancement for each indigenous employee resting with the Company at the end of the initial six-month support provided by the Foundation.

In addition to developing the working partnership with the Foundation, as the founding sponsor of the Laverton Training Centre it is anticipated that the first group of trainees to complete civil construction programs will be recruited to work on the LSOP civils programs, thus ensuring a work and skills experience for trainees (solidifying their learnings) and opportunity for APC to achieve its indigenous employee ratios.

The Company is very aware of the deeply cultural background of local indigenous people and accordingly, and within the bounds of its broader obligations to the safety and welfare of all employees, the Company subscribes to indigenous retention strategies that:

- are capable of accommodating absences for periods of time to attend cultural and traditional business, including ceremonies and funerals;
- promote culturally safe workplaces for indigenous employees, that reflect a common understanding and acceptance of their cultural beliefs; and
- ensure indigenous employees feel accepted and integrated into the team, while maintaining their identity through the above.

Indigenous employees will be ascribed a mentor, who unlike their direct management report, will be tasked with understanding each individual’s particular circumstances. Mentors will come from the existent workforce, with appropriate familial connections of paramount importance. Family connections and intrinsic cultural understanding will be vital to the success of mentoring.

In 2023, our focus will be on diversity around increasing females and indigenous participation in our workforce and in leadership roles. We will continue to review our people and culture related policies to further encourage diversity and inclusivity.

Case Study: Training & Personal Development Policy

During 2021/22 APC introduced a Training & Personal Development Policy. APC believes that it needs to support and encourage employees to constantly increase their knowledge and upgrade their expertise, for the benefit of both the individual and the Company. The purpose of the policy is to provide guidelines for supporting employees’ personal development and the process to be followed when undertaking training or personal development activities.

Employees are encouraged to attend training that is relevant to their qualifications, experience and role up to a determined number of paid work days per financial year and each employee is allocated an amount to fund such relevant training.

The Company generally supports the following kinds of training:

- hands-on formal training for individuals and work groups either internally or delivered by an external provider;
- employee coaching and mentoring;
- conference participation;
- webinar/seminar attendance;
- training on the job; and
- the securing of additional skills, such as Health and Safety Representative training, which promote the activities of the Company.

To support training and development, the Company also endorses subscriptions to educational materials such as journals or newsletters, as long as they are job-related, professional, beneficial and within the monetary limits established within the policy.

During the year, employees attended a total of 18 different training courses supported by the Company.

	Training Completed	
	#	days
Total Employees (Australia)	16	50.30
Male	11	21.05
Female	5	29.25
Full-time	15	44.55
Part-time	-	-
Casual	1	7.75

Our Community



APC's commitment to building stronger communities includes:

- Contracts supporting regional economies and strengthening local relationships;
- Indigenous and local employment commitments;
- Viable and sustainable procurement and local content targets;
- Social investments in local education; and
- Stakeholder engagement programs.



APC is committed to supporting jobs, economic development and building capability in the local communities which are close to our operations, as outlined in our Statement of Commitment to the Community. For our flagship LSOP, this means the remote community of Laverton. The Project also represents a significant new export industry for WA.

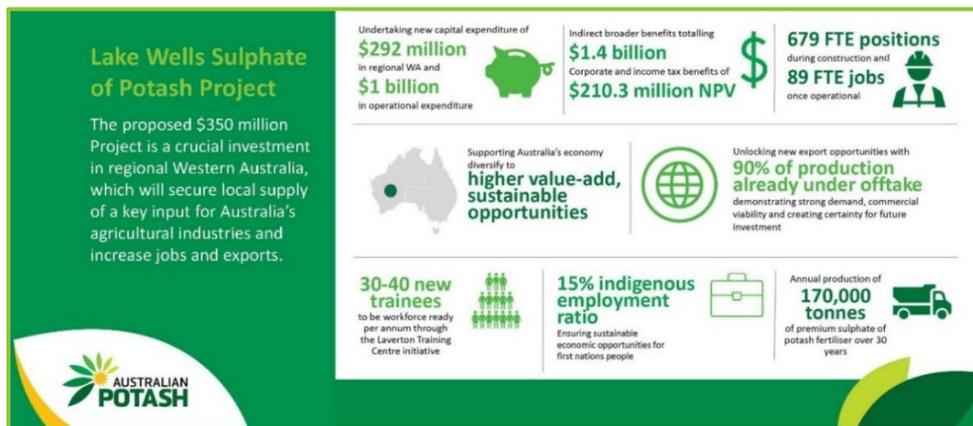


Figure 9: Some of the key economic benefits of the LSOP³

To help our understanding we have worked closely with the Shire of Laverton, the Laverton School and other important stakeholders in the region. We will continue to work with our community as we develop the LSOP to ensure we are a good neighbour.

There were no reported incidents of violations of rights involving indigenous peoples during the year.

Community Initiatives

Procurement & Local Content Targets

Being located in a very remote area of Western Australia provides challenges across many fronts. However, APC has developed the opportunity to engage with local and regional contractors to provide the backbone of the contracting strategy for the development and operation of the LSOP. Augmented with the training and education commitment the APC has given the local community, it is anticipated that the existing contractor base will continue to build as indigenous skillsets develop in the region.

³ This data is correct as at April 2021 upon release of the Project's Front-End Engineering Design Study

The Company recommends tenderers for all work packages use the services of the Industry Capability Network of Western Australia to increase participation by Northern Australian industry in particular, and local industry in general, on the LSOP.

Of the eight major construction packages of work, two have already been awarded to indigenous companies. CAdd is a construction company backed by Carey Mining and Add Business Group that is both operationally competent and has indigenous employment and engagement as a priority. They are overseeing the construction and installation of the accommodation units at the Lake Wells Village. The C&C JV, a joint venture between Carey Mining and Centrals Earthmoving, have responsibility for the civil earthworks at the LSOP.

Community Engagement Meetings

APC is committed to implementing an effective and transparent engagement, communication and reporting process with the indigenous people that have cultural affiliations with the LSOP area, as well as other stakeholders.

The Company holds Community Engagement Meetings every six months which alternate between a webinar and a town hall style discussion in Laverton. Ahead of each meeting, APC provides an update on the LSOP and the activities the Company intends to undertake in the next period. These meetings are also an opportunity for stakeholders to provide feedback and ask questions.

Laverton Cross Cultural Association

APC became a member of the Laverton Cross Cultural Association (**LCCA**) in 2020, through presenting to the Laverton Stakeholders Group, holding community forums on the LSOP development and organising and implementing the STEM Innovation Day at the Laverton School (see below).

The charitable objectives of the LCCA are to:

- provide a range of employment, education, training and enterprise programs to enhance business opportunity with a focus on the Aboriginal community, assisting Aboriginal people to develop skills and find work and thereby relieve suffering, distress and destitution in the area;
- provide for the benefit of persons resident in the area, who are poor, sick, suffering, destitute, distressed or unemployed;
- facilitate the use of State and Commonwealth Government programs designed to assist those in need in the area and to assist groups who have objectives similar to those of the Association; and
- consult and collaborate with government, business and the general community.

Through its membership of the LCCA, APC has committed to supporting programs of the Pakaanu Aboriginal Corporation (**Pakaanu**). Recent initiatives being driven by the LCCA include:

- operating the Art Gallery in Laverton, which provides a retail outlet for art centres in Ngaanyatjarra lands and communities that are not on the Outback Way (Great Central Road);
- Men’s Shed upgrade;
- Laverton Hospital landscaping and art and mural project; and
- funding visits by qualified hairdressers to Laverton.

Membership of the LCCA comprises APC, Pakaanu, the Laverton Stakeholder Group and several regional mining companies.

Laverton STEM Program

In 2020, APC held a STEM Innovation Day (Science, Technology, Engineering and Maths) at the Laverton School, with students in years 1 – 12 from Laverton and the remote annexes of Cosmo Newberry and Mulga Queen, as well as Mt Margaret School, attending. The purpose of the day was to introduce the concept of curriculum augmentation programs to the teacher cohort across the district, and to introduce hands on learning of STEM subjects to students, focused on drone, robotics, coding and virtual reality technologies.

The day was supported by local and regional stakeholders, including the Laverton Shire, Leonora School and local miners Anglo Gold Ashanti Limited and St Barbara Limited. The program was delivered by Firetech, a national education services provider headquartered in Perth.

Following the very strong positive feedback to the Innovation Day, APC contracted with Firetech to provide a STEM augmentation program through the Laverton School for the 2021, 2022 and 2023 teaching years. The program is now well established and is subject to iterative customisation based upon student, parent and teacher feedback.



STEM Innovation Day Participants

Native Title

Native Title holders and indigenous communities are a key stakeholder of APC’s activities. The Company is committed to encouraging collaboration and supporting unity of purpose within the communities within which we operate and will strive to manage activities in a socially responsible manner and build mutually beneficial and sustainable relationships.

Heritage Surveys

On 26 July 2021 the CEO of the Department of Water and Environment approved APC’s Cultural Heritage Management Plan (**CHMP**). The primary objective of the CHMP is to avoid where possible, and minimise impacts to, heritage sites and cultural values, and guides personnel as to when a pre-clearance archaeological survey is required. These surveys are required in areas that have a high-risk of containing heritage sites, where ground disturbing activities are proposed in an area not previously disturbed or if the area has not been the subject of a pre-clearance survey.

During the year heritage surveys were conducted in September 2021 and March 2022.

Cultural Heritage Training

APC personnel are aware of the significant cultural value of the Lake Wells' area. The Company's commitment to cultural respect for the area will be actioned through the Employee Cultural Commitment Program which is currently in development. This employee commitment will be requested after attending an on-site cultural awareness session with the indigenous custodians of Country. This will be a real and meaningful commitment to listen to the multi-generational knowledge we are fortunate to be able to access. This same knowledge guides all land and vegetation clearance programs and ensures the LSOP is developed with preservation of Country at the forefront of plans.

The Employee Cultural Commitment Program will require all employees to attend annual cultural consultations, which will be similar to the consultations the Company will provide indigenous stakeholders through the stages of development, and will provide employees:

- with updates on any findings of cultural values (including artefacts, scatters etc.) and the actions taken to preserve those findings;
- information on recent and proposed cultural activities in the area that employees need to be cognisant and respectful of; and
- an opportunity to speak with indigenous elders engaged by APC to present and instruct at the annual consultation about their personal insights and questions about Country.

Laverton Training Centre

Case Study: Laverton Training Centre

The Laverton Training Centre (LTC) coordinates a remote training program specifically tailored to working with disadvantaged people who endure low literacy and numeracy levels, intergenerational welfare dependence and trauma, generally poor health and little or no forms of formal identification; all of which are barriers to employment.



The Centre provides remote access to nationally accredited vocational training and creates opportunities for local Aboriginal people to be trained into local employment and increase vocational skill sets. It prioritises training pathways to facilitate local and remote northern Goldfields workforce participation in regional projects and programs (including remote Aboriginal Ranger programs and remote infrastructure projects of community benefit).

LTC Background

Based on the successful Wiluna remote Aboriginal training and employment model, the LTC employs a strength-based training approach which allows students to gain confidence in themselves and the training, and then continue into more advanced programs that meet their aspirations in local and regional employment. This approach, employed over four years in Wiluna, resulted in high retention rates, high self-confidence and the ability to create generational change, and led directly to a range of significant local employment outcomes for previously long term unemployed students.

Much of the vocational training provides community benefit, including automotive and mechanical training to enable mobility to meet family and cultural obligations and short courses to enable community and Shire projects (eg. chainsaws, 4WD operations, first aid training, weed spraying and chemical storage and use). Although focused on local and northern Goldfields employment and Regional Training Organisation (RTO) capacity to deliver remote training, all training units are open to community members.



Chainsaw practical and theoretical training at the LTC

The LTC consults with stakeholders, local industry and employers to determine authentic, relevant and meaningful employment pathways for students. This includes local employers being made more aware of the impact of disadvantage on remote Aboriginal students, the limitations this imposes on nationally accredited vocational training and employment and the competing family and cultural obligations which create barriers to employment, but also keep law and culture strong (a very high priority for remote Aboriginal students).

On more advanced training and employment pathways (eg. roadwork and civil construction projects), students can be organised into cohesive teams for further training and employment. This involves training a larger group than required for a specific remote project, which gives the identically trained team the depth to accommodate team members being able to step away and replaced when required for important family and cultural obligations. This enhances employment opportunities and benefits employers, as cohesive teams (eg. Aboriginal Ranger teams and road crews) can train and work together. This approach keeps families together on Country, and ensures that law, language and culture remains strong.

The location of the LTC in Laverton ensures the sustainability of the program. Laverton is centrally located in the Goldfields, easily accessible to Kalgoorlie and facilitates significantly improved access to many remote Aboriginal communities enduring high unemployment and lack of entry into the labour market.

It is imperative for regional economic development that local workforces in remote areas are trained and created to support local employment opportunities, particularly for remote infrastructure projects such as road repair, maintenance and construction.



LTC trainees

The LTC has secured the resources, regional expertise and training consistency of Central Regional TAFE in Kalgoorlie (CRTAFE) as their RTO. CRTAFE deliver nationally accredited vocational training, award certificates of attainment and successfully partnered with the unique and successful Wiluna training project, over the entire four years. This partnership also facilitates state government involvement and the benefits of the leverage this brings to the project.

In addition to local Aboriginal people’s participation, the LTC has facilitated the participation of Aboriginal Ranger programs based in Cosmo Newberry, Warburton, Wiluna (Birriliburu and MKK), Meekatharra, Leinster, Leonora and Tjuntjuntjara. Kalgoorlie-based remote area Aboriginal Rangers will also attend some of the courses offered at the LTC.



Practical machinery training

LTC Development & Commencement

Refurbishment of the LTC facility at 2 Crawford Street, Laverton commenced in the second half of 2021. Local workers and contractors were engaged to assist in the unloading and arranging of five 40 foot containers worth of supplies and equipment and the renovation of plumbing and electrical systems, erection of fencing and a dome shelter, as well as painting and flooring.

In addition, a purpose-built campsite was constructed by the Shire of Laverton in consultation with the LTC on the outskirts of Laverton to accommodate students coming in from remote northern and eastern Goldfields Aboriginal communities. The LTC engaged local Elders to facilitate the appropriate naming of the campsite: ‘Ngurra Kanpi’.



Aerial view of the LTC facility in Laverton

The LTC commenced training its first cohort of students on 28 February 2022 with two classes of 12 students – being full capacity. Students are undertaking units in Certificate II Rural Operations.

LTC Funding

The Laverton Training Centre Trust has received registered charitable status with the Australian Charities and Not-for-Profits Commission as a Public Benevolent Institution and a Deductible Gift Recipient. Except for one donation from a local mining company, the LTC has, to date, been entirely funded by APC.



In February 2022 the LTC was announced as a recipient of a \$250,000 grant under the WA Government's Regional Economic Development (**RED**) scheme. The announcement was made by Hon. Alannah MacTiernan MLC, Minister for Regional Development at the LTC. The RED grant will enable the improvement of key facilities and be applied to the purchase of vehicles to provide transport for trainees to attend the LTC.

The LTC enjoys support from the Shires of Ngaanyatjarraku, Laverton and Leonora, the Departments of Education and Training, Biodiversity, Conservation and Attractions, and Regional Development, the Goldfields-Esperance Development Commission and most importantly, regional Aboriginal and non-Aboriginal people. It is these people that the LTC is in turn looking to support by providing a not-for-profit, fully accredited training program directed at improving their economic capacity

Our Governance



APC’s commitment to implementing the highest standards of corporate governance includes:



- Reporting against the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations; and
- Establishment of a Risk & Sustainability Committee to advise and assist the Board of Directors.

The Board of Directors of Australian Potash Limited is responsible for corporate governance of the Company. The Board guides and monitors the business and affairs of APC on behalf of the shareholders by whom they are elected and to whom they are accountable.

APC complies with the *Corporations Act 2001* (Cth), the ASX Listing Rules, the Australian Securities and Investments Commission Guidelines, and the ASX Corporate Governance Council’s Principles and Recommendations (4th edition). Where the Company’s corporate governance practices do not correlate with the practices recommended by the Council, the Company is working towards compliance however it does not consider that all the practices are appropriate for the Company due to the size and scale of operations.

APC has adopted systems of control and accountability as the basis for the administration of corporate governance, this is illustrated in the APC corporate governance system shown below.

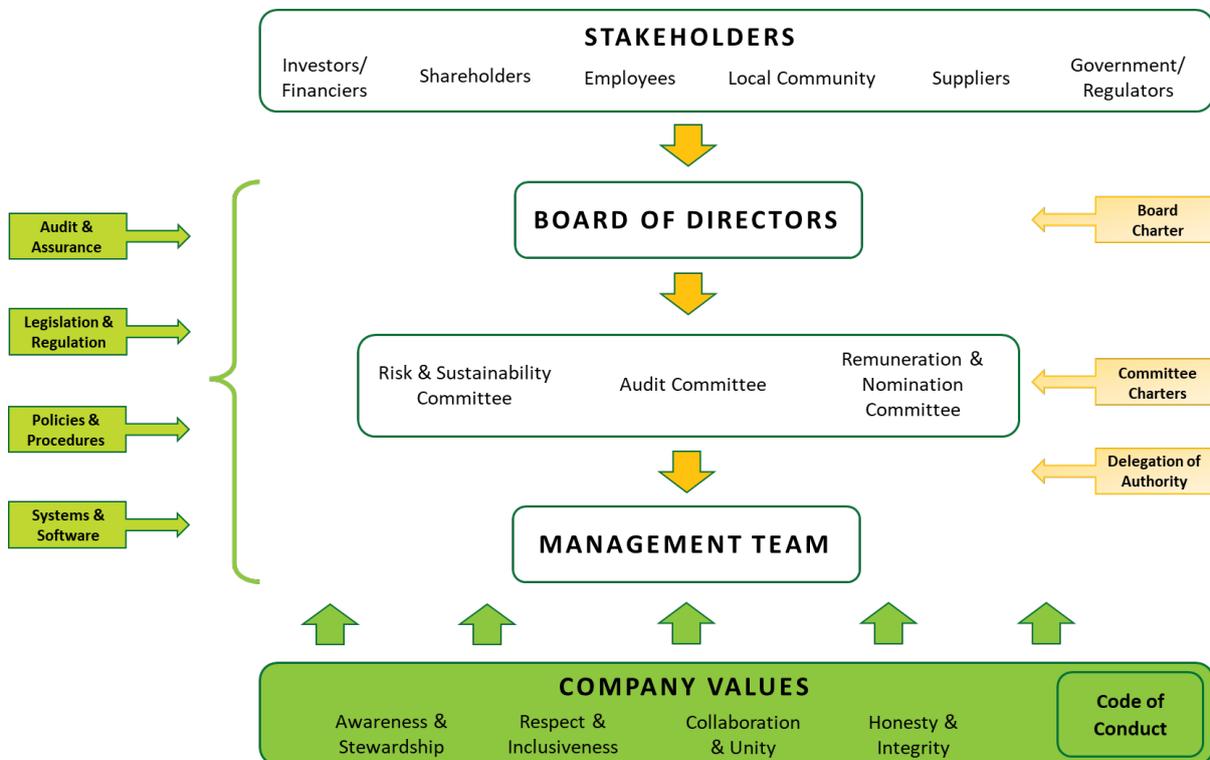


Figure 10: APC Corporate Governance System

The Board’s process and practice is to review all corporate governance policy documents at least annually. In 2022, we published the Corporate Governance Plan, the Risk & Sustainability Committee Charter, Performance Evaluation Policy, IT Network Usage Policy and Risk Management Framework and updated all other policies and documents within the Company’s corporate governance framework.

Board and Leadership

The Board of APC is committed to ensuring that the Company’s obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. The directors of the Company undertake to perform their duties with honesty, integrity, care and due diligence and to act in good faith in the best interests of the Company.

The Board oversees management of APC’s business including oversight of ESG issues.

Board and Committee Memberships

	APC Board	Audit Committee	Remuneration & Nomination Committee	Risk & Sustainability Committee
Natalia Streltsova (Independent)	Chair	✓	✓	✓
Matt Shackleton (Non-Independent)	✓	-	-	✓
Rhett Brans (Non-Independent)	✓	-	-	✓
Brett Lambert (Independent)	✓	Chair	✓	✓
Cathy Moises (Independent)	✓	✓	Chair	Chair

Corporate Governance Documents

	Governance	Social	Environmental
Corporate Governance Statement	✓		
Mineral Resource Statement	✓		
Corporate Governance Plan	✓	✓	✓
Code of Conduct	✓	✓	✓
Constitution	✓		
Risk Management Framework	✓		
Charters			
Board Charter	✓	✓	✓
Audit Committee Charter	✓	✓	✓
Remuneration & Nomination Committee Charter	✓		
Risk & Sustainability Committee Charter	✓	✓	✓

	Governance	Social	Environmental
Policies			
Securities Trading Policy	✓	✓	
Diversity Policy	✓	✓	
Continuous Disclosure Policy	✓	✓	
Risk Management Policy	✓	✓	✓
Performance Evaluation Policy	✓		
Anti-Bribery & Anti-Corruption Policy	✓	✓	
Whistleblower Protection Policy	✓	✓	
Shareholders' Communication Policy	✓	✓	
IT Network Usage Policy	✓		
Statements of Commitment			
Community	✓	✓	
Environment	✓	✓	✓
Health & Safety	✓	✓	
People	✓	✓	

Risk Management

The Company is committed to:

- utilising risk management to support the achievement of its objectives;
- maintaining risks within acceptable levels;
- integrating risk management into business decisions and activities;
- ensuring appropriate controls are in place to effectively manage risks;
- ensuring risks are communicated and reported to the required level within the business;
- protection of the natural environment and sites of cultural significance;
- ensuring the safety of all Personnel; and
- ensuring compliance with legal obligations.

The Board determines the Company's "risk profile" and is responsible for establishing, overseeing and approving the Company's Risk Management Framework, strategy and policies, internal compliance and internal control. The Board has delegated to the Risk & Sustainability Committee responsibility for implementing the risk management system and ensuring that the Company meets the abovementioned commitments.

Risk management is designed to protect current value, and capitalise on opportunities to create value. Through the application of risk management the Company will:

- prevent harm to our employees, contractors and members of the general community;

- minimise adverse impacts to the environment in which we operate and our impact on the global environment;
- avoid damage or loss of cultural heritage; and
- protect our assets.

APC recognises that a failure to effectively manage risk can adversely impact on the Company, its shareholders, and other internal and external stakeholders (eg. employees, commercial partners, customers, government, local communities, and suppliers).

An overview of the Company’s risk management system is presented below:

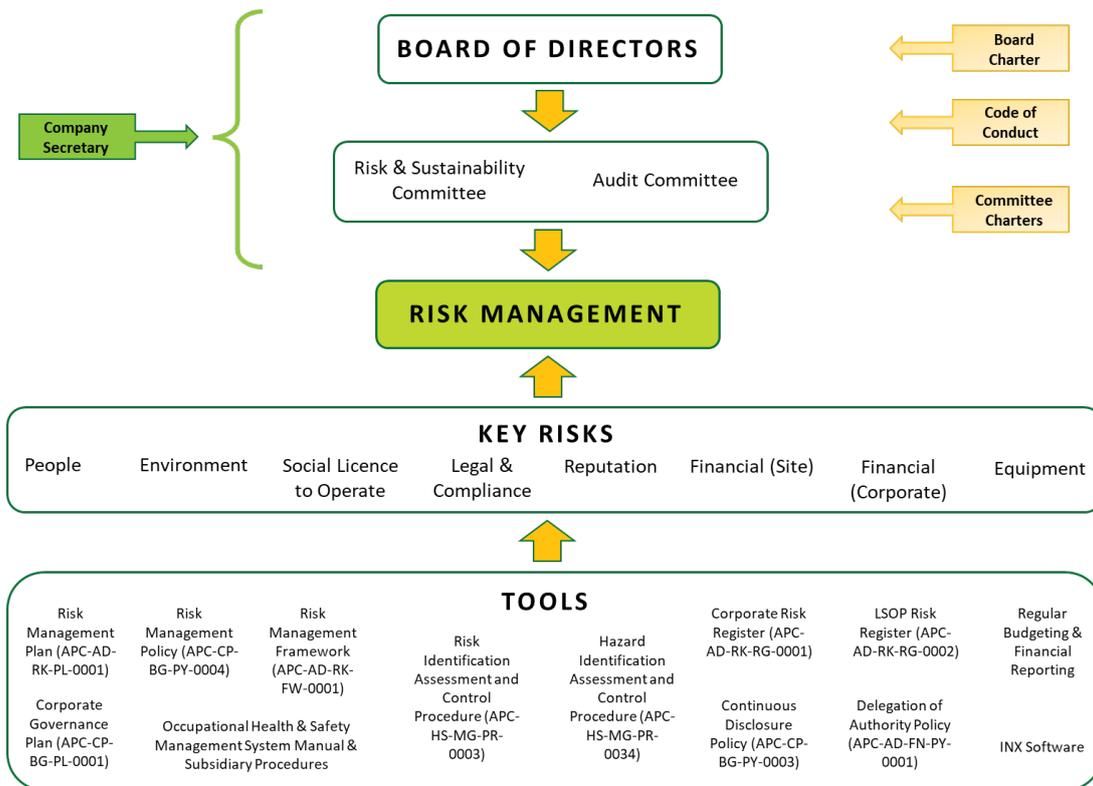


Figure 11: APC Risk Management System

During 2021/22 the following risk management initiatives were undertaken:

- Formation of the Risk & Sustainability Committee which assumed responsibility for non-financial risks from the Audit & Risk Committee (the latter which was renamed the Audit Committee);
- Project team review of the LSOP Risk Register;
- Management team review of the Corporate Risk Register;
- Updating of risk documentation including the Risk Management Policy, Risk Management Framework, Hazard Identification Assessment and Control Procedure and development of a new Risk Management Plan and Risk Identification Assessment and Control Procedure; and
- Implementation of INX InControl, InForm and InTuition modules.

Case Study: Implementation of INX Software

During the year the Company commenced the implementation of four modules from the INX suite of software. These were:

InControl

- Capture, report & manage OHS events
- Injuries, audits, inspections, hazards, meetings
- Risks register & injury/return to work management

Status: Implemented

InForm

- Manage stakeholders & community engagement
- Regulatory & statutory obligations, conditions & compliance management

Status: Implemented

InTuition

- Role compliance & gap analysis
- Training needs analysis
- Course management
- Verification of competencies

Status: Implemented

InHealth

- Health monitoring & similar exposure groups program
- Narcotics, drug & alcohol testing

Status: In progress

Together, these provide APC with the ability to:

- Support the Company's OH&S Management System and risk management framework with the reporting of incidents, recording of investigations and auditing and tracking of hazards and risks;
- Manage personnel injuries and return to work programs;
- Maintain a central repository of all licences, reports and approvals and monitor corporate, statutory and tenement reporting obligations;
- Track all inbound and outbound communications with stakeholders;
- Manage personnel training records and monitor role compliances and competencies;
- Record personnel health consultations and treatments and manage follow-up;
- Establish and record a fitness for work testing regime; and
- Meet occupational hygiene monitoring obligations in relation to environmental contaminants and exposures.

Ethics

All employees, directors, contractors and consultants working for APC and its related entities are required to adhere to the Company's Code of Conduct. This compels all employees and contractors to observe appropriate standards of behaviours, ethics and integrity as a condition of their employment.

The Code of Conduct incorporates the following expectations of personal and professional behaviour of all personnel to which it applies:

- behave honestly and with integrity and report colleagues who are behaving dishonestly;
- treat colleagues with respect and not engage in bullying, harassment or discrimination;
- disclose and deal appropriately with any conflicts between personal interests and duty as a director, senior executive, employee, contractor or consultant (as applicable);
- not take advantage of the property or information of the Company or its stakeholders for personal gain or cause detriment to the Company or its stakeholders;
- not take advantage of position for the opportunities arising therefrom for personal gain;
- carry out work with integrity and to a high standard;
- operate within the law at all times;
- act in the best interests of the Company;
- follow the policies of the Company and adhere to the Company's values; and
- act in an appropriate business-like manner when representing the Company in public forums and deal with stakeholders fairly.

During 2021/22 APC reviewed its values and updated these to more accurately reflect how the Company goes about its business. The new values emphasise the sustainability strategic pillars of Environment, People, Community and Governance outlined in this [2022 Sustainability Report](#). The Company's Statement of Values is:

- We will demonstrate **awareness** of our surrounds and undertake **stewardship** of the natural and cultural environment.
- We will engender **inclusiveness** through **respect** for our people.
- We will encourage **collaboration** and support **unity** of purpose within the communities within which we operate.
- We will act with **honesty** and **integrity** and hold ourselves to the highest standards in governing our business.

Information sessions were held for employees during the year on key corporate governance policies including the Code of Conduct, Securities Trading Policy, Diversity Policy, Continuous Disclosure Policy and Anti-Bribery and Anti-Corruption Policy.

In 2022/23 the focus will be on developing a Supplier Code of Conduct.

Anti-Bribery & Anti-Corruption

The Company is committed to responsible corporate governance and to conducting its business lawfully, ethically, and honestly, and will not tolerate any bribery or corrupt behaviour that is intended to obtain unlawful, improper, dishonest, or corrupt benefit or advantage for the Company or its personnel. Bribery and corruption seriously undermine integrity and fairness in open, competitive markets, and compromise the development of trade opportunities.

The Company's Anti-Bribery & Anti-Corruption Policy was reviewed, updated and approved by the Board of Directors in September 2021. The Company's employees attended an information session on the policy shortly afterwards and were required to confirm reading of the document. The policy is published on the Company's website but was not formally distributed to any contractors or suppliers during the year.

The potential for bribery and corruption is considered as part of the Company's twice yearly review of its Corporate Risk Register. Given that 100% of APC's activities are currently conducted in Western Australia, no significant risks related to bribery or corruption have been identified to date.

There were no reports received of any serious breaches of APC's policies, laws or regulations. In particular there were no matters reported or referred under the Code of Conduct, Whistleblower Policy or the Anti-Bribery & Anti-Corruption Policy.

Performance Data

	Notes	2022
GOVERNANCE AND ECONOMIC PERFORMANCE		
Governance		
Governance performance reported in Annual Report (AR) and Corporate Governance Statement (CGS)		AR / CGS
<i>Selected key indicators of governance performance:</i>		
Compliance with ASX Corporate Governance Council Principles and Recommendations	4	97.1%
Political donations (A\$)		nil
Industry association memberships (A\$)	5	31,295
Whistleblower complaints		nil
Anti-bribery & anti-corruption incidents		nil
Economic Performance		
Economic performance reported in AR		AR
<i>Selected key indicator of economic performance:</i>		
Loss per share (basic) (A\$)		0.0075
Economic Contributions		
Total revenue (A\$)		nil
Total operating costs (A\$)		5,567,061
Loss after tax (A\$)		5,579,288
Total employment wages (A\$)		3,541,181
Taxes – employment (PAYG) (A\$)		1,166,454
Taxes – payroll (A\$)		205,503
Taxes – corporate (A\$)		nil
Other government payments (rents/rates etc.) (A\$)		1,258,424
Community Investment		
Community investment (A\$)		493,365
Community investment (in-kind and time) value (A\$)		12,307
Total (A\$)		505,672
SAFETY		
Fatalities		
Number of fatal incidents – employees		nil
Number of fatal incidents – contractors		nil
Total Recordable Injuries and Lost Time Injuries		

⁴ Compliance, or satisfactory disclosure of alternative governance practices adopted in lieu of a recommendation, as prescribed under the ASX Corporate Governance Council Principles and Recommendations (4th edition)

⁵ Comprises Australian Mineral Exploration Council (AMEC) and International Fertilizer Association (IFA). Excludes where company pays professional service fees and employee memberships.

	Notes	2022
Total Recordable injuries		7
Recordable injuries – employees		1
Recordable injuries – contractors		6
Total Recordable Injury Frequency Rate (TRIFR) per 1m hours worked		124.14
TRIFR – employees		63.61
TRIFR – contractors		147.54
Total Lost Time Injuries (LTI)		2
Lost Time Injuries – employees		1
Lost Time Injuries – contractors		1
Total Lost Time Injuries Frequency Rate (LTIFR) per 1m hours worked		35.47
LTIFR – employees		63.61
LTIFR – contractors		24.59
Total hours worked		56,386
Employees		15,721
Contractors		40,665
Other Safety		
Fines and penalties		nil
PEOPLE		
Diversity		
Diversity performance reported		CGS
<i>Selected key indicators of diversity performance:</i>		
% women in entire workforce		31.2
% women in management		33.3
% overall gender pay gap	6	30
Indigenous employees at Laverton operations		1
% Australian-based personnel		94.7
Employee and contractor numbers		
Employees (as at 30 June 2022)		17
Contractors (as at 30 June 2022)		2
Total		19
Personnel turnover		
% employees		40.7
% contractors		nil
Total (%)		40.7
Performance and development reviews		
% employees receiving		53.8

⁶ The 'Overall Gender Pay Gap' is calculated according to the WGEA guidelines (www.wgea.gov.au) and represents the difference between the average pay for all male employees and the average pay for all female employees across the whole organisation. The Company is not currently of sufficient size for the same role to be performed by multiple personnel.

Global Reporting Initiative Standards

GRI Content Index

This table indicates how the Company has used the GRI Standards to guide its sustainability disclosures. APC’s sustainability disclosures comprise relevant sections of this:

- 2022 Sustainability Report (SR),

and the

- 2022 Annual Report (incorporating the Financial Report for the year ending 30 June 2022);
- 2022 Corporate Governance Statement; and
- Website (www.australianpotash.com.au).

GRI 102: General Disclosures 2016	
Organisational Profile	
Item	Disclosure
102-1 Name of the organisation	Australian Potash Limited
102-2 Activities, brands, products, and services	AR: Principal Activities [page 17]
102-3 Location of headquarters	AR: Corporate Information [page 3]
102-4 Location of operations	AR: Review of Operational Activities [page 5]
102-5 Ownership and legal form	<i>Australian Potash Limited is a public company incorporated in Australia and listed on the Australian Securities Exchange (ASX: APC)</i>
102-6 Markets served	Website: 2021 Annual Report
102-7 Scale of the organisation	AR: Directors’ Report [page 14]
102-8 Information on employees and other workers	SR: Performance Data [page 39]
102-9 Supply chain	SR: Our Community [page 25]
102-10 Significant changes to the organisation and its supply chain	<i>No significant changes to the organisation have occurred</i>
102-11 Precautionary Principle or approach	Statement of Commitment – Environment
102-12 External initiatives	GRI Standards, TCFD & UNSDG
102-13 Membership of associations	<i>The Group maintains membership with the following associations:</i> <ul style="list-style-type: none"> • <i>Association of Mining and Exploration Companies</i> • <i>International Fertilizer Association</i>
Strategy	
102-14 Statement from senior decision-maker	SR: Message to Stakeholders [page 4]
102-15 Key impacts, risks, and opportunities	SR: Material Topics [page 9] AR: Business Risks [page 18]

	AR: Review of Operational Activities [page 5] & business strategy
Ethics and Integrity	
102-16 Values, principles, standards, and norms of behaviour	CGS: Principle 3 - Instil a culture of acting lawfully, ethically, and responsibly Website: Code of Conduct
102-17 Mechanisms for advice and concerns about ethics	Website: Board Charter s10 - Access to Advice Website: Whistleblower Policy
Governance	
102-18 Governance structure	SR: Our Governance [page 32] CGS & Website
102-19 Delegating authority	Website: Board Charter s2 - The Board's relationship with Management <i>Delegation of Authority Policy (internal)</i>
102-20 Executive-level responsibility for economic, environmental, and social topics	Website: Board & Committee Charters
102-21 Consulting stakeholders on economic, environmental, and social topics	SR: Material Topics [page 9]
102-22 Composition of the highest governance body and its committees	CGS: Principle 2 - Structure the board to be effective and add value
102-23 Chair of the highest governance body	AR: Directors' Report [page 14]
102-24 Nominating and selecting the highest governance body	Website: Constitution
102-25 Conflicts of interest	<i>Directors' declared interests are included as a standing item in all Board meetings</i>
102-26 Role of highest governance body in setting purpose, values, and strategy	Website: Board Charter
102-27 Collective knowledge of highest governance body	AR: Directors' Report [page 14]
102-28 Evaluating the highest governance body's performance	Website: Board Charter s12 - Performance Review
102-29 Identifying and managing economic, environmental and social impacts	Website: Board & Committee Charters, various Board policies including Code of Conduct, Statements of Commitment – Health & Safety, Environment, People, Community, Diversity Policy, Risk Management Policy
102-30 Effectiveness of risk management processes	CGS: Principle 7 - Recognise and manage risk
102-31 Review of economic, environmental, and social topics	<i>Risk & Sustainability Committee reviews bi-annually with broader reviews annually conducted by the Board</i>
102-32 Highest governance body's role in sustainability reporting	SR: Our Sustainability Approach [page 6]

102-33 Communicating critical concerns	<i>The Group has a clear hierarchy and role responsibility for communicating critical concerns and escalating as appropriate</i>
102-34 Nature and total number of critical concerns	<i>None noted during the year</i>
102-35 Remuneration policies	AR: Remuneration Report [page 21]
102-36 Process for determining remuneration	AR: Remuneration Report [page 21]
102-37 Stakeholders' involvement in remuneration	AR: Remuneration Report [page 21]
Stakeholder Engagement	
102-40 List of stakeholder groups	SR: Our Community [page 25]
102-41 Collective bargaining agreements	<i>None of the Company's employees are covered by a collective bargaining agreement. There have been no examples of industrial action during the year.</i>
102-42 Identifying and selecting stakeholders	SR: Our Community [page 25]
102-43 Approach to stakeholder engagement	As per 102-42 above
102-44 Key topics and concerns raised	<i>No general or significant concerns were raised during the year</i>
Reporting Practice	
102-45 Entities included in the consolidated financial statements	AR: Note 21 - Subsidiaries [page 62]
102-46 Defining report content and topic boundaries	SR: About this Report [page 5]
102-47 List of material topics	SR: Material Topics [page 9]
102-48 Restatements of information	<i>As this is the Group's first sustainability report there has been no restatement of information</i>
102-49 Changes in reporting	<i>As this is the Group's first sustainability report there have been no changes in reporting</i>
102-50 Reporting period	1 July 2021 - 30 June 2022
102-51 Date of most recent report	29 September 2022
102-52 Reporting cycle	Annual, released with the AR
102-53 Contact point for questions regarding the report	Company Secretary admin@australianpotash.com.au
102-54 Claims of reporting in accordance with the GRI Standards	<i>This report has been prepared in accordance with the GRI Standards: Core option</i>
102-55 GRI content index	SR: GRI Content Index [page 42]
102-56 External assurance	<i>This report has been reviewed by the Board and has been prepared in accordance with the ASX Corporate Governance Council's 'Principle 5' to be 'factual, balanced and expressed in a clear and objective manner'.</i>

	<i>The Financial Report (incorporating the Remuneration Report) is subject to independent external audit, the report on which appears in the Annual Report as the 'Independent Auditor's Report' [page 71]</i>
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	<i>All of the Company's operations are assessed for risks related to corruption. As these operations are currently all located in Australia, the overall risk is deemed to be low with no significant risks identified.</i>
205-2 Communication and training about anti-corruption policies and procedures	SR: Ethics [page 36]
205-3 Confirmed incidents of corruption and actions taken	SR: Anti-bribery & Anti-corruption [page 37]
GRI 307: Environmental Compliance	
307-1 Non-compliance with environmental laws and regulations	SR: Our Environment [page 11]
GRI 401: Employment 2016	
401-1 New employee hires and employee turnover	SR: Employee Attraction & Retention [page 20]
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: Employee Attraction & Retention [page 20]
401-3 Parental leave	SR: Employee Attraction & Retention [page 20]
GRI 402: Labour Management Relations	
402-1 Minimum notice periods regarding operational changes	SR: Employee Attraction & Retention [page 20] <i>None of the Company's employees are covered by a collective bargaining agreement</i>
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational health and safety management system	SR: Health & Safety [page 18]
403-2 Hazard identification, risk assessment, and industry investigation	SR: Risk Management [page 34]
403-3 Occupational health services	SR: Health & Safety [page 18]
403-4 Worker participation, consultation, and communication on occupational health and safety	SR: Health & Safety [page 18]
403-5 Worker training on occupational health and safety	SR: Health & Safety [page 18]
403-6 Promotion of worker health	SR: Health & Safety [page 18]
403-7 Prevention and mitigation of occupational health and safety	SR: Health & Safety [page 18]

	impacts directly linked by business relationships	
403-8	Workers covered by an occupational health and safety management system	SR: Health & Safety [page 18]
403-9	Work-related injuries	SR: Health & Safety [page 18]
403-10	Work-related ill health	SR: Health & Safety [page 18]
GRI 404: Training and Education		
404-1	Average hours of training per year per employee	SR: Employee Attraction & Retention [page 20]
404-2	Programs for upgrading employee skills and transition assistance programs	SR: Employee Attraction & Retention [page 20] & Laverton Training Centre [page 28]
404-3	Percentage of employees receiving regular performance and career development reviews	SR: Performance Data [page 39]
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	SR: Employee Attraction & Retention [page 20]
405-2	Ratio of basic salary and remuneration of women to men	SR: Performance Data [page 39]
GRI 406: Non-Discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	SR: Employee Attraction & Retention [page 20]
GRI 411: Rights of Indigenous Peoples		
411-1	Incidents of violations involving rights of indigenous peoples	SR: Our Community [page 25]
GRI 413: Local Communities		
413-1	Operations with local community engagement, impact assessments and development programs	SR: Our Community [page 25]
413-2	Operations with significant actual and potential negative impacts on local communities	SR: Our Community [page 25]