Risk Management Policy

Purpose

The purpose of this Risk Management Policy ("Policy") is to establish a framework for identifying, assessing, managing, monitoring and reporting risks that may affect the achievement of Danakali Limited's strategic, operational, financial, compliance and sustainability objectives.

The Company recognises that effective risk management is essential to creating and protecting shareholder value, maintaining stakeholder confidence, supporting informed decision-making and promoting long-term sustainable growth.

Scope

The Policy applies to Danakali Limited and any of its subsidiaries (collectively defined in this Policy as Danakali or the Company) and their respective employees, officers, consultants, associates and contractors, anywhere in the world.

Responsibilities

Danakali embraces the active management and communication of risk by all members of the business, supported by clear accountability and performance evaluation, to achieve strategic and business objectives. As an integral part of this risk management policy, there is an expectation that Danakali personnel will be proactive owners of and assume responsibility for managing risks within their day to day activities and have the confidence to do so based on the training and empowerment provided by the organisation.

The CEO (or equivalent) is accountable for the implementation of the risk management process and is ultimately responsible for the management of risks within the business. All Danakali leaders and managers (Executive, Managers and Supervisors) must manage risks affecting their business objectives, including maintaining an accurate and current register of risks and controls within their area; reporting material risks in line with the established risk criteria; and ensuring appropriate control activities are being undertaken to manage risk to tolerable levels.

The Board, through the Audit and Risk Committee will oversee and review the implementation of the risk management program.

Risk Management Objectives

The Risk Management Policy communicates the boards risk management expectations which are embedded in the structured framework to be implemented across all Danakali operations. The objectives of this approach to risk management are to:

- Manage risk exposures (opportunities and threats) that might impact upon the achievement of the Company's goals to acceptable levels with regard to financial sustainability; compliance with applicable laws and regulations; and in line with the achievement of Danakali's Vision and Values;
- Be integrated into the organisation so as to improve the quality, consistency and transparency of decision making and the pro-active rather than reactive management of issues;
- Safeguards Danakali's assets, people, finances and the environment.

Principles

Danakali has implementing a structured Risk Management Framework for the management and oversight of material risks and associated internal controls. The overall intent of this framework is to:

- Integrate risk management into the company's culture and ensure that risk understanding, and tolerance are an integral part of all decision-making;

- Maintain an organisational structure and management practices that ensure responsibility and accountability for risk management throughout the organisation;
- Provide a systematic and structured approach to identify potential internal and external threats and opportunities, and develop a detailed understanding of their nature and the associated controls necessary to ensure risks are managed to a tolerable level;
- Ensure our personnel have the skills and motivation to fulfil their obligations within the risk management framework and are aware of the risks and controls in their work environments;
- Ensure discipline in the delivery and assurance of the effectiveness of risk controls, including proactive monitoring of the performance of key controls;
- Ensure risk management activities facilitate continual improvement & enhancement of the organisation;
- Ensure material risk information is communicated to the relevant level of management or external party.

Review of Policy

This The Company will periodically review this Policy and its implementation to ensure continued effectiveness and alignment with legal requirements, stakeholder expectations and emerging best practices.

Approval and Adoption

This Policy was approved by the Board on 2 October 2026 and takes effect from that date.