

SUSTAINABILITY COMMITTEE REPORT



We commend the team for their continued focus on health and safety

ELAINE DORWARD-KING
CHAIR OF THE SUSTAINABILITY COMMITTEE



CLEVER FONSECA
COMMITTEE MEMBER



MATTE DOBEL
COMMITTEE MEMBER

Dear Shareholder

I am pleased to present the Sustainability Committee's 2022 report. During the year, the Committee met five times, three times in person and twice by videoconference. We were also fortunate to visit the Moma Mine and communities in February, with Mette Dobel visiting in September. The main areas of focus for our meetings are set out on the following page. This report describes how the Committee has fulfilled its responsibilities during the year under its Terms of Reference and under the relevant requirements of the UK Corporate Governance Code 2018.

Principal responsibilities of the Committee

- To oversee the management of health, safety, security, social and environmental risks, and facilitate progressive employment practices;
- To ensure fair land access, compensation, and timely rehabilitation arrangements;
- Advocate for socio-economic development on behalf of our host communities, particularly relating to livelihoods, healthcare, education, and water and sanitation;
- Incorporate management of climate change and other sustainability issues into Group plans, with external reporting where appropriate to recognised international norms; and
- Monitor socio-political developments within the region and Mozambique.

See the Committee's terms of reference at www.kenmareresources.com/en/about-us/corporate-governance/sustainability-committee

Membership and meetings

The Sustainability Committee consists of myself as Chair, Clever Fonseca, and Mette Dobel, all of whom are Independent Non-Executive Directors. The Committee met five times in 2022. On 31 December 2022, we welcomed Mette Dobel to the Committee as a new member replacing Graham Martin, who stepped down from the role on that date. Graham Martin attended all Committee meetings held during 2022.

Committee membership

	Independent:	Date of Appointment to Committee	Meetings attended
Elaine Dorward-King Chair	Yes	4/11/2019	5
Clever Fonseca Member	Yes	2/10/2019	5
Mette Dobel Member	Yes	31/12/2022	n/a

2022 sustainability performance

We commend the team for their continued focus on health and safety and on the significant milestone of 12 million hours worked without a Lost Time Injury, reached in September. Three incidents in the second half of the year resulted in a LTIFR of 0.09 per 200,000 hours worked, which although higher than 2021 (0.03) was nevertheless a 50% improvement relative to the five-year rolling average (2019-2021: 0.18). The Moma Mine again retained its NOSA five-star accreditation, which is aligned to ISO 45001 and ISO14001 International Standards, for its health, safety and environmental performance for a seventh consecutive year.

Areas of focus in 2022

Area of focus	Sustainability committee action
ESG strategy, targets and reporting	<ul style="list-style-type: none"> Reviewed and approved Executives' 2023 ESG targets and progress against 2022 ESG targets Approved the 2022 Sustainability Report, including the updated materiality assessment Approved the Company's TCFD and EU Taxonomy disclosures Reviewed preparations for future reporting requirements, including the Corporate Sustainability Reporting Directive
Safe & engaged workforce	<ul style="list-style-type: none"> Considered management's root cause analysis reports on the Lost Time Injuries in 2022 Monitored health and safety incidents and initiatives at the Moma Mine Reviewed progress on the Moma Mine's health & wellness programme Oversaw progress on gender diversity and localisation programmes
Thriving communities	<ul style="list-style-type: none"> Reviewed the results of a third-party socio-economic review Participated in a workshop on strategic social risks facing the Company and reviewed the Company's 10-year plans to address those risks Oversaw a progress update on local procurement Approved a boardwalk enabling the crossing of wetlands, in connection with the Namalope West resettlement plan Received and reviewed an update on external relations with local regional and national authorities in Mozambique Reviewed progress of Year 1 of the KMAD three-year strategic plan Received updates on the political situation in Mozambique and its country risk factors
A healthy natural environment	<ul style="list-style-type: none"> Reviewed and approved the updated Climate & Energy strategy, following an update of climate-related risks & opportunities Received an update on the Moma Mine power supply Reviewed progress against the Land Management and Water Strategies Reviewed an update on geotechnical risks and risk management Discussed the Agro-forestry trials and food security for communities
Trusted Business	<ul style="list-style-type: none"> Oversaw progress of supply chain compliance against the Board-approved Supplier Code of Conduct Reviewed progress on the implementation of the new security strategy, including adherence of our public security forces to the Voluntary Principles
Terms of reference	<ul style="list-style-type: none"> Considered its terms of reference to ensure they remain appropriate for the Group's needs. The terms of reference are available on the Kenmare website at www.kenmareresources.com/en/about-us/corporategovernance/sustainability-committee

Kenmare continued to focus on integrating climate considerations into its overall strategy and operational approach. We hired an energy efficiency manager at Site and continued what will be an ongoing endeavour for the foreseeable future, exploring ways to displace diesel to work towards our Net Zero ambition by 2040 for Scope 1 & 2. RUPS was commissioned in 2022, which will significantly help with reliability of power in the stormier summer months (Dec-Mar) and will mean we can avoid running the diesel-powered generators during this period as we have had to do since 2014. However, our short-term emissions reduction target of 12% by 2024 will be a challenge to achieve. Near-term energy demand is increasing due to mining complexities and our medium-term energy needs will grow as we progress development of the Nataka orebody. You can read more about how we are working to overcome these challenges in our climate disclosures on page 64.

Kenmare's commitment to local socio-economic development through KMAD continued. The highlights include over \$0.5 million being spent on repairing community infrastructure in the aftermath of Storm Ana. These unbudgeted repairs complied with Mozambican regulations stipulating resistance to Category 4 cyclones. To support vocational training and education, the first cohort of Kenmare sponsored students graduated from the KMAD-built Topuito Technical Training College. Of the 55 students that passed their three-year courses in mechanical or civil construction, or industrial electronics, Kenmare sponsored 28 female bursars. To improve health facilities in the area, KMAD completed building and equipping a laboratory for Mititicoma community health centre, which will be able to store a blood bank and administer more specialist medicines.

We continued to make steady progress on increasing the representation of women in our business and by the end of 2022, 14.5% of the workforce at the Mine was female (2021: 12.5%) with women making up 25% of the senior management there. The Mine's workforce comprised 97% Mozambican employees, 2% above

regulatory requirements. The number of people employed from the local community remained constant at 70%.

Committee effectiveness and priorities for 2023

An external evaluation of the Committee's performance and effectiveness is conducted every three years. In the intervening years, this evaluation is carried out internally. The 2022 evaluation found that the Committee operates effectively. In 2023, we will continue the work started in 2022 to evaluate the longer-term, strategic sustainability-related risks and their mitigation plans. This will include Kenmare's 10-year socio-economic development and land management plan, progress of the Company's climate and energy strategy, including addressing the Company's growing energy demands, development of updated Biodiversity Management Plans in response to new Mozambican regulations and overseeing KMAD's progress on its new strategic pillar of water and sanitation.

Conclusion

I would like to thank the Committee members for their commitment and input to the work of the Committee during 2022. In particular I would like to thank Graham Martin for the excellent counsel he has given to the Committee over the past three years. I would also like to thank Michael Carvill, Managing Director, for his continued leadership, Ben Baxter, Higinio Jamisse and his management teams for their efforts on our environmental and supply chain programmes, Anna Brog for her guidance and to Gareth Clifton and Regina Macuacua for their dedication to strong community relations.

ELAINE DORWARD-KING
CHAIR OF THE SUSTAINABILITY COMMITTEE

6 April 2023