

SUSTAINABILITY COMMITTEE REPORT



A record year for safety

ELAINE DORWARD-KING
CHAIR OF THE SUSTAINABILITY COMMITTEE

PRINCIPAL RESPONSIBILITIES OF THE COMMITTEE:

- Oversee management of health, safety, security, social and environmental risks, and facilitate progressive employment practices on our operating sites;
- Facilitate fair land access, compensation, and timely rehabilitation arrangements in our mining areas;
- Advocate for and promote community development, particularly economic, healthcare and education in our host communities;
- Incorporate management of climate change and other sustainability factors 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

In March 2021, Tim Keating, African Acquisition S.à.r.l.'s Board representative, stepped down from the Board. As a result, the Sustainability Committee now consists of myself as Chair, Clever Fonseca and Graham Martin, all of whom are Independent Non-Executive Directors. The committee met six times in 2021.

I am pleased to present the report of the Sustainability Committee for 2021. During the year, the Committee met six times. Unfortunately, due to COVID-19 restrictions, all but one meeting were held by video-conference but we were pleased to finally meet in person in December and to visit the Mine in February 2022. The main areas of focus for our meetings were as set out below. 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.

2021 sustainability performance

We commend the team for their continued focus on health and safety and on the significant achievement of the lowest ever LTIFR the Company has recorded of 0.03 per 200,000 hours worked. The team recorded over six million hours worked without an LTI to the end of 2021 and achieved one year without an LTI on 6 January 2022. In addition, the Moma Mine retained a NOSA five-star accreditation for its health, safety and environmental performance for a sixth consecutive year.

The camp health clinic also successfully rolled out COVID-19 vaccinations, with 96% of employees double vaccinated by year-end and 12,000 vaccines donated to the local communities.

2021 also saw a significant focus on Kenmare's climate strategy and the Company drafted its first Climate Strategy Report aligned to the recommendations of TCFD, and set an ambition to achieve Net Zero Greenhouse Gas emissions by 2040 for Scope 1 & 2. In addition, the Company has set a short-term carbon emissions reduction target of 12% by 2024, which will be delivered largely by the RUPS project, due to begin commissioning in the first half of 2022. Achieving this emissions reduction will be dependent on reliable supply of electricity by EdM outside of the rainy season.

Committee membership

Name	Role	Independent	Date of Appointment to Committee	Meetings Attended
Elaine Dorward-King	Chair	Yes	4/11/2019	6
Clever Fonseca	Member	Yes	2/10/2019	6
Graham Martin	Member	Yes	2/10/2019	6

Kenmare's commitment to local socio-economic development through KMAD continued, with 700 farmers participating in the Conservation Agriculture programme, delivering a productivity increase of 49% for those using this approach, and the construction of the Pivilivi health centre, providing 27,000 community members with healthcare access.

Steady progress on improving the gender diversity of the Board, Executive Team and overall female representation at the Moma Mine continued and by the end of 2021, 12.5% of the workforce at the mine was female (2020: 10.6%). Our Mine workforce comprised 97% Mozambican employees and the number of employees living locally to the Mine grew to 70% (2020: 62%).

Areas of focus in 2021

AREA OF FOCUS	SUSTAINABILITY COMMITTEE ACTION
ESG strategy, targets and reporting	<ul style="list-style-type: none"> Reviewed and approved the Company's sustainability strategy, including mid-term public ESG targets Reviewed and approved Executives' 2022 ESG targets and progress against 2021 ESG targets Approved the Sustainability Report for 2020 Discussed TCFD and other sustainability reporting requirements and the Company's approach to these
Health and Safety	<ul style="list-style-type: none"> Considered management's report on Health and Safety of Employees and the Community around the Moma Mine at every meeting Reviewed management's plans to minimise COVID-19 exposure at the Moma Mine Monitored the number of cases of COVID-19 at the Mine and the condition of infected employees Reviewed the Mine's community safety management and incidents reporting Reviewed a new wellness initiative at the Mine
Environment	<ul style="list-style-type: none"> Reviewed and approved the Net Zero Climate Policy, and Climate-strategy following a review of climate-related risks & opportunities Received and reviewed Land Management and Water Strategy updates Discussed the Conservation Agriculture programme and food security for communities
Community and social affairs	<ul style="list-style-type: none"> Considered management's report on Community and Social Affairs and Community Development at every meeting Instigated an investigation into the viability of a river crossing in connection with the Namalope West resettlement plan and the socio-economic situation in Namalope West Received and reviewed an update on external relations with local regional and national authorities in Mozambique Reviewed plans for the sustainable development of the Moma/Larde area Reviewed the KMAD three year Strategic plan 2022-2024 Received updates on the political situation in Mozambique and its country risk factors
Employees	<ul style="list-style-type: none"> Monitored health and safety incidents and initiatives at the Moma Mine
Human rights	<ul style="list-style-type: none"> Reviewed results of the supply chain compliance audit Approved the Modern Slavery Statement in respect to 2020
Security	<ul style="list-style-type: none"> Reviewed procedures around the use and discharge of weapons at site Approved the site security strategy
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 https://www.kenmareresources.com/en/about-us/corporate-governance/sustainability-committee

Committee effectiveness and priorities for 2022

As outlined in the Corporate Governance Report, during 2021 there was an external evaluation of the Committee's performance and effectiveness. I am pleased to confirm that the Committee continues to operate effectively and in 2022 will enhance its focus on the longer term strategic sustainability related risks and their mitigation plans. Priorities for the Committee during 2022 will include evaluating the long-term risks associated with Kenmare's social licence to operate in Moma; an update to Kenmare's land rehabilitation strategy to better align the community and Kenmare's priorities with regards to food security, biodiversity and carbon sequestration; 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 2021. In particular I would like to thank Michael Carvill, Managing Director, for his continued leadership, Ben Baxter and his operations team for their efforts, and the external affairs team led by Gareth Clifton for their dedication to strong social and environmental performance.

ELAINE DORWARD-KING

CHAIR OF THE SUSTAINABILITY COMMITTEE

4 April 2022