

SUSTAINABILITY COMMITTEE REPORT



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/about-us/corporate-governance/sustainability-committee

Membership and meetings

In May 2020, Dr. E. Dorward-King succeeded Ms. E. Headon as Chair of the Committee. Ms. E. Headon attended all Committee meetings prior to her retirement. The Sustainability Committee now consists of Dr. E. Dorward-King (Chair), Mr. C. Fonseca and Mr. G. Martin, all of whom are Non-Executive Directors.

Chairperson's Overview

I am pleased to present the report of the Sustainability Committee for 2020. During the year, the Committee met seven times and the main areas of focus 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.

Areas of focus in 2020

Area of focus	Sustainability Committee action
Health & 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.
Environment	<ul style="list-style-type: none"> Reviewed and approved the Kenmare Energy and Climate strategy. Reviewed the arrangements for the future Moma Mine closure. Reviewed the Company's role in environmental audit and stewardship. Reviewed and approved the Kenmare Water Strategy. Carried out a review of Kenmare's geotechnical management. Reviewed and approved the Kenmare Land Management Strategy.
Community & Social Affairs	<ul style="list-style-type: none"> Considered management's report on Community & Social Affairs & Community Development at every meeting. Reviewed and approved the Kenmare Community Strategy. Reviewed Security, Human Resources, Engagement and Human Rights at the Moma Mine. Reviewed community health metrics. Received several updates (including one from an expert) on the political situation in Mozambique and its country risk rating.
Employees	<ul style="list-style-type: none"> Approved arrangements for an employee engagement survey and reviewed the survey findings in early 2021. Monitored health and safety incidents and initiatives at the Moma Mine.
ESG Targets	<ul style="list-style-type: none"> Reviewed and approved the Company's 2021 public ESG targets. Reviewed and approved Executives' ESG targets for 2021 and reviewed achievement of ESG targets for 2020.
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/application/files/2215/7004/3355/2019-10-02_Terms_of_Reference_-_Sustainability_Committee.pdf

Name	Role	Independent	Date of Appointment to Committee	Meetings Attended
Dr. E. Dorward-King	Chairperson	Yes	4/11/2019	10
Mr. C. Fonseca	Member	Yes	2/10/2019	10
Mr. G. Martin	Member	Yes	2/10/2019	10
Mr. T. Keating	Member	No	2/10/2019	10

2020 sustainability performance

We commend the team for their continued focus on health and safety, especially in this unprecedented year with COVID-19 and achieving the lowest All Injury Frequency Rate in the history of the company. The roll-out of a new risk assessment process and increased quality leadership time in the field is starting to show benefit.

The Committee had the opportunity to visit the Moma operations in January 2020 and engage with the workforce, visit local community leaders, observe development projects, and receive an update on environmental matters including land rehabilitation and biodiversity. This visit helped to inform the work of the Committee during the year.

This year saw the Committee oversee significant focus on setting direction with regard to managing social and environmental risk and enhancing structure to deliver performance. This is reflected in the Committee's endorsement of a number of strategies: Energy and Climate Change, Land Management, Water Stewardship and External Relations and the creation of a new role, the Head of Sustainability, to lead this change. The Committee welcomed the appointment of Mr. K. Ramsey, an experienced sustainability expert, to this role in April 2020.

Our commitment to further disclosure and transparency is reflected in our disclosure of climate change data through the CDP Climate Change questionnaire and the development of a range of public targets.

Significant progress was made on increasing gender diversity in the workforce with women representing 10% of employees by the end of 2020, compared to 8% at the end of 2019. Our workforce comprised 97% Mozambican and 62% of our workforce live locally to the Mine.

The team completed their first comprehensive Materiality Assessment which will guide the sustainability strategy for the Company and guide the content of Kenmare's first stand-alone GRI aligned Sustainability Report.

We made progress working with our major suppliers to develop capability and support their adoption of our policies and conducted a preliminary audit in this regard.

Committee effectiveness and priorities for 2021

As outlined in the Corporate Governance Report, during 2020 there was an internal evaluation of the Committee's performance and effectiveness. I am pleased to confirm that the Committee continues to operate effectively. Priorities for the Committee during 2021 will be to continue to provide oversight and guidance on sustainability risk management

and performance. In particular it will be the first year of implementation of the Water, Land and Energy strategies.

Discussions during 2021 will include implementation of the recommendations of the Taskforce for Climate related Financial Disclosures, identification of priority UN Sustainable Development Goals (SDGs) to further develop outcome-based objectives and targets, and further implementation of our Human Rights Policy with Kenmare's supply chain. We will also review an updated programme for malaria vector control and evaluate efforts to further reduce injury rates.

Conclusion

I would like to thank the Committee members for their commitment and input to the work of the Committee during 2020. I also thank Mr. M. Carvill, Managing Director, for his affirmative leadership, the operations team led by Mr. B. Baxter and the external affairs team led by Mr. G. Clifton for their dedication to strong social and environmental performance. Finally, I appreciate the insights and sound counsel during the year from the previous Chair of the Committee, Ms. E. Headon.

Elaine Dorward-King
Chair of the Sustainability Committee

31 March 2021

