



Responsibly meeting
global demand for
quality-of-life minerals

SUSTAINABILITY REPORT 2022

This report sets out Kenmare's strategy, policies and management approach to our longstanding and ongoing commitment to sustainability.

Our approach to sustainability is underpinned by our values and our Company purpose: to responsibly meet global demand for “quality-of-life” minerals.

Kenmare is an established mining company that operates the Moma Titanium Minerals Mine on the north east coast of Mozambique. We are one of the world's largest producers of mineral sands products, key raw materials ultimately consumed in everyday quality-of-life items such as paints, plastics, and ceramic tiles. We mine titanium-rich sands, mainly using dredges that float in artificial ponds, removing 3-5% of material mined, and separating it into its constituent minerals. We then progressively rehabilitate the mined land before it is handed back to the local community. Once the minerals are separated, we transport our final products to ocean-going vessels from our dedicated port facility.

This report should be read in conjunction with our policies, our 2022 Sustainability Fact Book, the 2022 KMAD Annual Report, and the 2022 Annual Report and Accounts, available on our website: www.kenmareresources.com.



2022
Annual Report



2022
KMAD Report



For more information visit:
www.kenmareresources.com



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Kenmare Resources Plc



@KenmareResourcesplc



Safe and engaged workforce

Keeping our people safe and engaged, while respecting their labour rights, is key to Kenmare being a successful business. Our extensive health and safety, security, diversity and localisation programmes help to make Kenmare a great and safe place to work.

Read more about our [safety performance](#) on page 21



Thriving communities

Kenmare depends on strong and respectful relationships with its local communities in order to maintain our operations. We also have an opportunity to help sustainably develop and provide opportunities for communities to uplift their health, education and economic prospects.

Read more about [KMAD](#) on page 32



A healthy natural environment

We are temporary custodians of the land we mine and work to restore the land and hand it back to communities progressively as we mine. We also recognise the responsibility that Kenmare has to address climate change and reduce our carbon emissions.

Read more about [RUPS](#) on page 46



Trusted business

Kenmare's Board and respective committees, particularly the Sustainability Committee provide strong governance and oversight of Kenmare's policies and progress towards our publicly stated targets.

Read more about [sustainability governance](#) on page 58

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SUSTAINABILITY COMMITTEE CHAIR'S STATEMENT



We continue to strive to fulfill our commitment to being a responsible operator

ELAINE DORWARD-KING
SUSTAINABILITY COMMITTEE CHAIR

Kenmare strives to provide transparent and comprehensive reporting on the progress and challenges related to our sustainability programmes. While we are a one-site business with a relatively small market capitalisation, the Company was recognised as 'ESG Producer of the Year' in the prestigious Mines and Money Awards. The team also achieved 21% out of a potential 25% in its 2022 ESG Scorecard. Our obligation and ambition to be a responsible operator is made both more challenging and meaningful by the fact that we operate in a remote part of Mozambique, where socio-economic indicators – although improving with Kenmare and KMAD's assistance – are among the lowest in the world¹. In addition, all material orebodies within our concession also fall within an Environmental Protected Area. This report sets out our ongoing endeavours as we strive to leverage our mining activities to improve the prosperity of our host communities, while minimising our environmental impact, working to deliver a net positive impact.

Safety

In 2022 Kenmare reached almost 12 million hours without a Lost Time Injury (LTI), a considerable and world-class achievement. Nonetheless the workforce suffered three LTIs thereafter, one of which was concerning and pointed to the need to continuously improve safety behaviours. The Sustainability Committee reviewed a root cause analysis and was satisfied with the programmes and mitigating actions aimed at preventing similar incidents.

While Kenmare's 2022 LTIFR of 0.09 increased relative to the prior year (2021: 0.03), a high bar to sustain, it improved considerably relative to the three-year rolling average. I congratulate the whole organisation on this strong performance. The focus for the year ahead, as well as onboarding all the lessons learned, will be to embed even more stringent preparation and safety checks for all tasks undertaken while continuing to embed attention to safety in our work culture.

Governance and risk management

The Sustainability Committee oversees both the management of issues covered in this report and the balance and transparency of their disclosure. In 2022, the Committee oversaw and approved updates to the Company's climate and energy strategy. The challenges ahead relating to decarbonisation are significant. The Company's growing energy requirements will eventually mean Kenmare arrives at the limits of clean energy source: hydroelectric power delivered via the grid. We are therefore very focused on investigating the commercial viability of alternatives to either grid electricity or fossil fuels, capable of heavy continuous power provision.

The Committee also participated in a workshop evaluating the strategic social risks to the business, in relation to our social licence to operate and land access. Additionally, following the approval of the Supplier Code of Conduct in January 2022, the Committee received a due diligence review on Kenmare's key suppliers' adherence to this Code.

Diversity

Kenmare's commitment to achieve gender equality continues to make steady progress. Women make up 33% of Kenmare's Board and female representation at the mine in 2022 grew to 14.5% (2021: 12.5%). Women make up 25% of the site management team, holding key positions including Mine Manager, Mineral Separation Plant Manager, Technical Manager and Deputy Country Manager. Our medium-term goal to achieve 20% female representation at the mine by 2025 will be a challenge. The Company has a low voluntary employment turnover rate of 2%, and the rotational patterns that 87% of our employees work mean that extended time away from families can be challenging. Nevertheless, the management team, supported by the human resources team and the Women's Forum continue to find new interventions to help recruit, retain, and advance women at the mine.

¹ 64.6% of Mozambique's population live on \$2.15 a day. Source: World Bank

Kenmare's work culture

Creating a work culture where everyone can feel safe and thrive is extremely important to Kenmare. The Western Australia Parliamentary inquiry into sexual harassment against women in the mining industry was a catalyst for reflection for many mining companies, and Kenmare was no exception. Kenmare undertook an internal investigation to understand whether sexual harassment and bullying behaviours were being experienced by employees or contractors at the mine, which you can read more about on page 29. Our clear position is that harassment, bullying, assault, and discrimination based on gender, race, cultural or ethnic background, LGBTQI+, or age is unacceptable, and any discriminatory actions or words are not reflective of Kenmare's inclusive and respectful work environment.

Human rights

Kenmare remains alert to the potential for abuses of human rights both in its business and supply chain. Kenmare's operations are supported by naval and police public security forces and have in place Memorandums of Understanding reflecting commitments to observing human rights with the Ministry of National Defence and Provincial Police Command. To ensure these public security forces uphold the Voluntary Principles, Kenmare organised external training for 290 public security personnel. We plan to continue running these sessions twice a year going forward.

Security

Kenmare's new security strategy has delivered a marked reduction in theft and crime related to mining operations. Overall, the number of security incidents decreased by over 49% year on year. The security team prevented 28% of security incidents and recovered 25% of stolen items. More significantly, new approaches have led to an 84% reduction of security-related operational shutdowns in the mine. Improved and increased presence of technology alert systems are among the interventions which have played a key role in our improved security performance. Importantly, there were no violent incidents against security during the year.

Employee engagement

Graham Martin, one of Kenmare's non-executive Board Directors, is the designated workforce engagement director. He engages in person and via video conference with employees both at the mine and at Kenmare's head

office in Dublin, providing an important direct channel of communication with employees. To support this, Kenmare held its second employee engagement survey towards the end of 2022, to help us better understand the overall level of employee satisfaction, whether this had changed since our last survey in 2020 and to identify areas to improve overall engagement levels. The survey showed, again, strong levels of overall engagement with 91% of employees saying they would recommend Kenmare as a great company to work for and 93% saying they are happy in their jobs. The survey also provided some helpful feedback on areas for improvement which you can read about on page 29.

Acknowledgements

Kenmare made good overall progress in 2022 towards its sustainability goals. My site visit in February confirmed first hand that the principles of sustainability are clearly woven into the DNA of the Company. I would like to thank the Committee's other members, and the Executives supporting us, for their leadership and commitment to advancing Kenmare's sustainability ambitions. I would also like to thank all Kenmare employees, management team and Board for their constant effort to help drive the performance of Kenmare's business in line with its purpose, values and commitment to sustainability.

ELAINE DORWARD-KING

CHAIR OF THE
SUSTAINABILITY
COMMITTEE



Read more about
Security on
page 24



Read more about
Diversity on
page 26

MANAGING DIRECTOR'S STATEMENT



2022 was a year when we further integrated sustainability into our Company strategy

MICHAEL CARVILL
MANAGING DIRECTOR

The world's attention on sustainability continues to gather pace. Proactively managing our environmental and social impacts, with strong governance and controls in place, has always been central to the way we work at Kenmare. Therefore, we support and look forward to meeting increasing expectations in the coming years in a way that creates the best possible outcome for all our stakeholders, including investors, our employees, host government, communities, our lenders, and the natural environment.

Safety

2022 saw Kenmare reach the milestone of just under 12 million hours worked Lost Time Injury-free at the mine, a phenomenal achievement made possible by the hard work and dedication of all our colleagues as well as the strong leadership from operations and development projects teams. Notwithstanding this achievement, the root cause analysis into one of three Lost Time Injuries that occurred in 2022 was concerning and revealed a flaw relating to working on live electrical equipment. This is clearly unacceptable, and we have taken all measures necessary to ensure a similar incident does not happen again. Our focus in 2023 will be on ensuring strong standards and task preparations are in place through our Visible Felt Leadership sessions, where each member of our site management team dedicates several hours in the field each week to focus on safety. Our focus on continuous improvement remains our priority, our LTIFR of 0.09 per 200,000 hours, is a 50% improvement relative to our three-year rolling average LTIFR of 0.18.

In 2022 the threat of the COVID-19 pandemic subsided, but we nevertheless remained vigilant to the emergence of new variants. We are committed to the health and well-being of our 1,636 strong workforce and over the year continued our wellness programme, Thrive. Thrive supports colleagues with chronic health diseases, such as diabetes, cardiovascular disease, and HIV AIDS. Educational workshops sharing techniques on how to better manage these diseases, prevent their worsening and improve overall health were rolled out to all staff. In addition, a mobile app providing daily health and wellness advice, and which measures and records healthy activities

was made available. Smart watches were provided to employees as a safety prize to support this initiative. These interventions proved both popular and created improvements in health outcomes, which you can read about more on page 22. This programme will continue to be built upon in 2023.

Decarbonisation

CO₂ levels globally continue to rise and despite the efforts of negotiators and policy makers, current global commitments put us on course for >3°C warming relative to pre-industrial times. Against this context, Kenmare strives to make its contribution to both reducing emissions and mitigating the risks that climate presents to our business and our host communities.

Our challenge to decarbonise and fulfil our Net Zero ambition by 2040 will be made harder because of our growing energy demand, related to increasing operational complexities. Our early investment to connect to Mozambique's hydroelectric power means we have clean and relatively cost competitive power source. However, we will reach the line capacity limits of this power source in the coming years and need to plan for supplementary power delivery.

The Rotary Uninterruptible Power Supply (RUPS) project was successfully commissioned in 2022 and will avoid the continuous use diesel generators during the stormy summer months to provide a stable supply of electricity. We will still retain the option of using diesel generators in the future, as a temporary solution to our growing power requirements, however we are working hard to find other solutions to avoid this being necessary.

While costs of renewable energy from wind and solar have declined materially in recent years, until there are breakthroughs in the cost of battery storage technology, these renewable power sources are not viable alternatives to provide a high continuous power requirement. Ensuring access to low-carbon, low-cost, and reliable energy is one of the challenges faced by operations and delivery of our Net Zero ambition. We therefore updated our climate

and energy strategy in 2022 to highlight clean, low-cost energy as a strategic imperative. You can read more on our updated strategy on page 45. We also continue to explore efficiency improvements and look for potential sources of biofuels to reduce and/or displace our diesel consumption.

Social performance

Kenmare, through its not-for-profit association, the Kenmare Moma Development Association (KMAD) has always aimed to go above and beyond regulatory requirements to uplift our local communities and help them to thrive. Education is one of KMAD's four strategic pillars. Having invested over the last 18 years in educational infrastructure, in 2022 KMAD restarted work with a specialist NGO, focused on building teacher capacity. The programme deploys interactive and engaging teaching techniques. In the first year of a two-year programme, this intervention has led to a significant improvement in students' learning, which you can read more about on page 38.

KMAD also supports communities through adversity. In early 2022, Nampula province was hit by Storm Ana. Although categorised as a tropical storm as opposed to a cyclone, it nevertheless devastated community homes, schools and health clinics. KMAD's teams responded quickly, providing gazebos and temporary equipment so services could resume as normally as possible and subsequently repaired these buildings, which have been built to government guidelines making them resilient to a Category 4 cyclone. Helping communities to become more resilient to increasing extreme weather events is another focus of our climate and energy strategy.

Biodiversity

Policy makers in countries around the world, including Mozambique are beginning to respond to the significant loss of biodiversity caused by anthropogenic activity. Regulation requires companies like Kenmare to closely measure, monitor, protect and restore biodiversity. One step we are taking is the formal application of areas containing critically endangered species to be set aside as conservation areas. We acknowledge the indirect impact of our presence on biodiversity. Both population influx and opportunistic clearing of land for crop compensation by communities, has exacerbated the loss of biodiversity in some areas where we will not mine. As we work towards biodiversity restoration, we must try to strike a balance between creating agricultural land to support local livelihoods, while restoring endangered species that are endemic to the area.

As temporary custodians of the land we mine, we work to hand back 150-200 ha of mined land each year to government and communities. The sandy nature of the soils makes farming and restoring the land post mining more challenging. We continuously seek ways to improve the soil quality, and in 2022 conducted studies to test the effectiveness of various organic and chemical interventions. The results verified what we had thought, that the fine clay particles we call 'slimes' already present in the soil retain moisture, improve the soil fertility and lead to improved productivity rates. Re-integrating slimes back into soil and sands in our rehabilitation process therefore represents the best, low-cost and closed loop approach to enhancing the success of our rehabilitation efforts.

Engagement with stakeholders

Time spent in person with our key stakeholders: investors, government representatives, community leaders, customers, lenders, is always time well invested. As well as giving me an opportunity to share updates on our business and asking for their support to progress specific issues, listening to their feedback is always invaluable. We carefully consider this feedback as we continuously assess and refine our strategy, risk management and operations.

Outlook

We are committed to building on our good progress to date, but are in no doubt as to the growing expectations from investors and regulators, to further reduce emissions, better protect and restore biodiversity and to be even more transparent in our sustainability disclosures. We will strive to continue to build on our strong foundations and to make a tangible difference to the lives of our Mozambican host communities. I would like to thank the whole Kenmare team and all our partners for their contributions as we continue this journey.

MICHAEL CARVILL
MANAGING DIRECTOR



Read more about **KMAD** on pages 32



Read more about **Climate** on pages 45



2022 ESG SCORECARD PERFORMANCE

Kenmare’s approach to sustainability aims to balance the needs of our host communities, environmental conservation, and economic returns. You can read more about our sustainability strategy on pages 16 and 17. Kenmare measures progress against this strategy via its ESG Scorecard, which represents 25% of the company’s overall corporate scorecard and is part of both Executive and staff incentive schemes. Kenmare’s performance against the KPIs in its ESG scorecard for 2022 is summarised below. On ESG, the Company scored 21% out of the maximum of 25%. Kenmare’s 2023 and 2025 targets are set out together with our sustainability strategy on pages 16 and 17.

	2022 Target	2022 Performance	Delivered
 <p>Safe and engaged workforce</p>	20% LTIFR improvement against a three-year average (2020-2022)	50% LTIFR improvement of 0.09 against three-year average of 0.18 (2020-2022)	✓
	Ongoing implementation of THRIVE programme	Awareness workshops on chronic diseases held, fitness app rolled out to workforce	✓
	Implementation of Malaria Vector Control programme	Challenges in finding the right implementation partner; target carried over to 2023	✗
	13.5% female representation at the Moma Mine (2021: 12.5%)	14.5% female representation at the Moma Mine	✓
	Implement 2020 engagement survey actions and undertake second engagement survey	2022 engagement survey undertaken; majority of 2020 engagement survey actions implemented	✓
 <p>Thriving communities</p>	6% increase in local procurement	12% increase in local procurement	✓
	Additional five contracts with local suppliers	11 new contracts with local suppliers	✓
	Delivery of first year of KMAD three-year plan (2022-2024)	95% of first year of KMAD three-year plan delivered	➔
	Positive improvement on the following metrics: <ul style="list-style-type: none"> • Repayment of loans by micro-businesses • Number of pupils passing Grade 3 • Water quality in community boreholes 	<ul style="list-style-type: none"> • 42% of loans on track for repayment within 36 months • Literacy improved by 7% to 34% and numeracy by 30% to 47% • Distribution of Certeza, water treatment pilot started in Mulimuni village 	➔

KEY

✔ Achieved / Good Progress
 ✘ Limited Progress
 ➔ In Progress

	2022 Target	2022 Performance	Delivered
 <p>A healthy natural environment</p>	Implementation of RUPS delivering short-term emissions reduction of 12% by 2024, with 2% delivery in 2022 Progress energy efficiency projects	RUPS commissioned in June Absolute emissions reduced by 6% year on year and emissions intensity decreased by 3% Efficiencies in our Mineral Separation Plant led to a 7% improvement in litres of diesel combusted per tonne of product	✔
	174 ha of post-mined land rehabilitated	191 ha of post-mined land rehabilitated	✔
	Successful execution of expanded agro-forestry and soil fertility trial	Soil fertility trials completed but agro-forestry trials not yet expanded	✘
	Update of Environmental Management Plan (EMP) for renewal of our operational environmental licence and to create balance of biodiversity, food security and carbon sequestration	Updated EMP presented to and approved by district authorities and communities	✔
	Ongoing maturation of Water Accounting Framework in line with ICMM principles. Establish current water reuse rate and set 2023 target to increase water reuse rate.	2022 water reuse rate of 90% 2023 target is to maintain the already high level of water reuse rate, especially in light of more challenging operational conditions.	✔
	 <p>Trusted business</p>	100% of on-site suppliers audited against sustainability questionnaire	100% of the 62 on-site suppliers have been audited. Capacity building to improve alignment with standards underway.
Implement security strategy		49% reduction in criminal incidents	✔
Demonstrate security practices are aligned with the Voluntary Principles on Security and Human Rights (VPs)		290 public security personnel have received external training on the VPs	✔



OUR BUSINESS

Kenmare's Moma Titanium Minerals Mine is located on the north east coast of Mozambique. It is one of the largest titanium minerals deposits in the world and began production in 2007.

Moma has a low environmental impact, as Kenmare progressively rehabilitates the land as we mine. Kenmare also invested in low-carbon operations from the outset, building a 170 km power line to connect to the nearest sub-station to take advantage of Mozambique's hydroelectric power. This clean power source provides over 90% of the Company's electricity requirements and 50% of its overall power requirements.

Kenmare utilises three Wet Concentrator Plants (WCPs) to mine the Moma deposit, two of which are in the Namalope ore zone and one in the Pilivilili ore zone.

Kenmare is targeting 1.2 Mtpa of ilmenite production (plus co-products) on a sustainable basis, which represents 8% of global titanium feedstock supply.



Mozambique

Kenmare began exploring for titanium minerals in Mozambique in 1987 and has had a presence in country for over 30 years. Mozambique lies on the south east coast of Africa, with an area of almost 800,000 km² and a coastline of 2,470 km.

Mozambique is a mining-friendly jurisdiction with a growing natural resources industry. In addition to titanium minerals, coal, gold and aluminium are all mined in Mozambique. The discovery of the Rovuma basin natural gas fields in the north of the country in 2011 is set to transform the economy in the coming decades, with an estimated \$20+ billion investment planned from several multinational companies. The first offshore project in the Rovuma Basin commenced production in January 2022.

Working in partnership

During our 30-year history in country, Kenmare has fostered strong relationships with the Government of Mozambique, local authorities, and our host communities. The Government has always upheld the terms of our licences and other agreements, and we value their partnership highly. Kenmare's production accounts for approximately 7% of Mozambique's exports.

Good governance

In 2022, Kenmare was named the most transparent company in Mozambique for the third consecutive year by the Centre for Public Integrity's Extractive Industry Transparency Index. Mozambique is one of 52 countries that implements the Extractive Industries Transparency Initiative (EITI) and Kenmare representatives have been on Mozambique's EITI coordinating committee since its inception in 2009.

Democracy in action

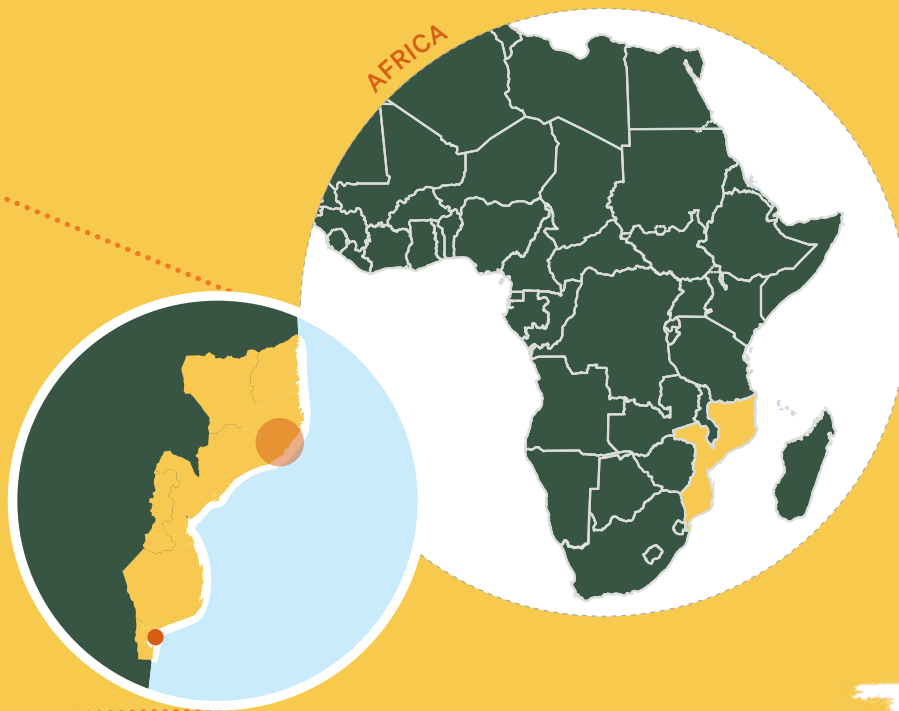
Democratic elections have been held every five years in Mozambique since 1994, with the most recent election held in October 2019.



Read more about [stakeholder engagement](#) on page 16



Read more about [sustainability governance](#) on page 52



WCP A

WCP A has been mining the Namalope ore zone since 2007 and is scheduled to continue mining there until 2025, when it will move to Nataka. Nataka is the largest ore zone within Moma's portfolio. Within Nataka, a high grade mine path has been identified that WCP A will mine for 20 years. WCP A has a throughput capacity of 3,250 tonnes per hour (tph). Two dredges, named Catarina and Mary Ann, and two dry mines provide feed to WCP A.

WCP B

WCP B mined the Namalope ore zone from 2013 to August 2020. In September 2020, WCP B was relocated to the high grade Pilivilili ore zone and it recommenced production two months later. Pilivilili was chosen due to a number of favourable characteristics. WCP B has a throughput capacity of 2,400 tph, following the upgrade work undertaken in 2018. One dredge, named Deirdre, and one dry mine provide feed to WCP B.

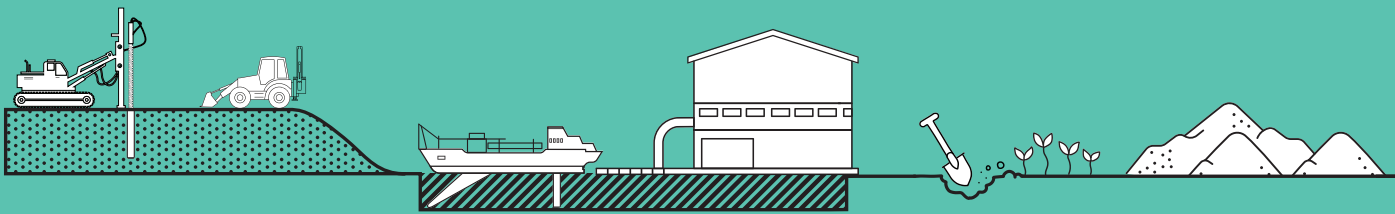
WCP C

WCP C is the newest and smallest of the three Wet Concentrator Plants. It commenced production in February 2020 and it has a throughput capacity of 500 tph, representing one-fifth of the size of WCP B and one-sixth of the size of WCP A. WCP C is mining a high grade area of the Namalope ore zone, which is inaccessible to the two larger Wet Concentrator Plants. It has one dredge, named Julia.

OUR OPERATING MODEL

Kenmare’s operational process is well established and environmentally sound.

The Moma Mine is a low-cost, bulk mining operation that predominantly uses dredges to mine almost 40 million tonnes of titanium-rich sands per year.



1. Evaluation	2. Mining	3. Wet Concentrator Plant (WCP)	4. Dune Rehabilitation	5. Heavy Mineral Concentrate
<p>The mine plan is designed and scheduled off Kenmare’s 1,534 Mt of Proved and Probable Ore Reserves. Kenmare is currently mining the Namalope and Pilivilili ore zones, with plans to commence mining the Nataka ore zone from 2025.</p>	<p>Dredging takes place in three artificial ponds, where four dredges feed three Wet Concentrator Plants (A, B and C). The dredges cut into the ore at the pond’s base, causing the mineralised sand to slump into the pond where it is pumped to a WCP. Kenmare also has three dry mining operations to supplement ore feed to WCP A and WCP B.</p>	<p>The first processing stage at the WCPs consists of rejecting oversize material. Next, the ore feed is passed over progressive stages of gravity spirals, which separate the Heavy Mineral Concentrate (HMC) from tailings (silica sand and clay).</p>	<p>Tailings are deposited into a series of settling ponds, dried and re-contoured, with the previously removed topsoil redeposited. Rehabilitation is completed by planting a variety of vegetation as well as food crops. The area is then transferred back to the local communities.</p>	<p>HMC is pumped to the Mineral Separation Plant (MSP), where it is stockpiled prior to further processing. HMC consists of valuable heavy minerals (ilmenite, rutile, zircon and monazite, which is sold as part of our concentrates product stream), other heavy minerals and a small amount of other minerals (the bulk of which is silica sand).</p>

Mining



54%
OF PROCUREMENT
WITH MOZAMBIKAN
COMPANIES

0
TOXIC CHEMICALS
USED IN
OPERATIONS

191ha
LAND
REHABILITATED
IN 2022

72,577
NATIVE TREES
PLANTED IN 2022

Kenmare progressively rehabilitates and returns land to the community. Kenmare also invests between \$2-3 million each year in its not-for-profit association KMAD which delivers socio-economic development projects within its concession.



<p>6. Wet High Intensity Magnetic Separation</p>	<p>7. Magnetic, gravity and electrostatic separation</p>	<p>8. Product storage warehouse</p>	<p>9. Conveyor and jetty</p>	<p>10. Ocean-going bulk carrier</p>
<p>HMC is transferred from stockpiles by front-end loaders and fed to the Wet High Intensity Magnetic Separation (WHIMS) plant to separate magnetic from non-magnetic fractions.</p>	<p>The MSP uses magnetic, gravity and electrostatic circuits to separate the valuable minerals of ilmenite, rutile, zircon and monazite into individual products. The magnetic fraction of WHIMS output is dried and processed by electrostatic separation to produce ilmenite products. The non-magnetic fraction of the WHIMS output passes to the wet gravity separation circuit to remove silica and trash minerals. Electrostatic separators are then used to separate the conducting mineral rutile from the non-conducting minerals zircon and monazite.</p>	<p>Ilmenite and rutile are stored in a 229,000 tonne capacity warehouse, which also contains an enclosed area to store the mineral sands concentrate product (containing monazite). Zircon is stored in a separate 35,000 tonne capacity warehouse to reduce the potential for cross-contamination. The warehouses load the products onto a 2.4 km-long overland conveyor.</p>	<p>The conveyor transports the product to the end of a 400 metre-long jetty, where product is loaded onto transshipment vessels, at a rate of 850 tonnes per hour. Kenmare owns and operates two transshipment vessels, the Bronagh J and the Peg.</p>	<p>The vessels transport the products to a deep water transshipment point 10 km offshore, where they self-discharge into ocean-going third-party vessels. These vessels then transport the final products to multiple destinations around the world.</p>

Processing

Storage and export

Other infrastructure

Other infrastructure on site includes a 170km 110kV power transmission line, a sub-station, a leased 9.6 MW diesel generator plant, an accommodation village, offices, a laboratory, an airstrip, water supply and sewage treatment plants.

MATERIALITY

About this report

This Sustainability Report highlights the policies and approaches we take to responsible and sustainable business practices and our progress in implementing them during the financial year from 1 January to 31 December 2022.

The report also presents our overall performance measured against a set of objectives for managing our ESG impacts. Kenmare's full data disclosure can be found in our Sustainability Fact Book, available via kenmareresources.com/sustainability.

Scope and boundary of report

This report covers Kenmare's sole and wholly owned asset, the Moma Mine, and our Mozambican offices in Nampula and Maputo. In some cases, we also include data for our head office in Dublin. All currencies are denominated in US Dollars. All data has been collected by Kenmare employees. Our GHG emissions data is audited, further details of which are available on page 47. Kenmare does not have interests in any other assets.

2022 Materiality Review

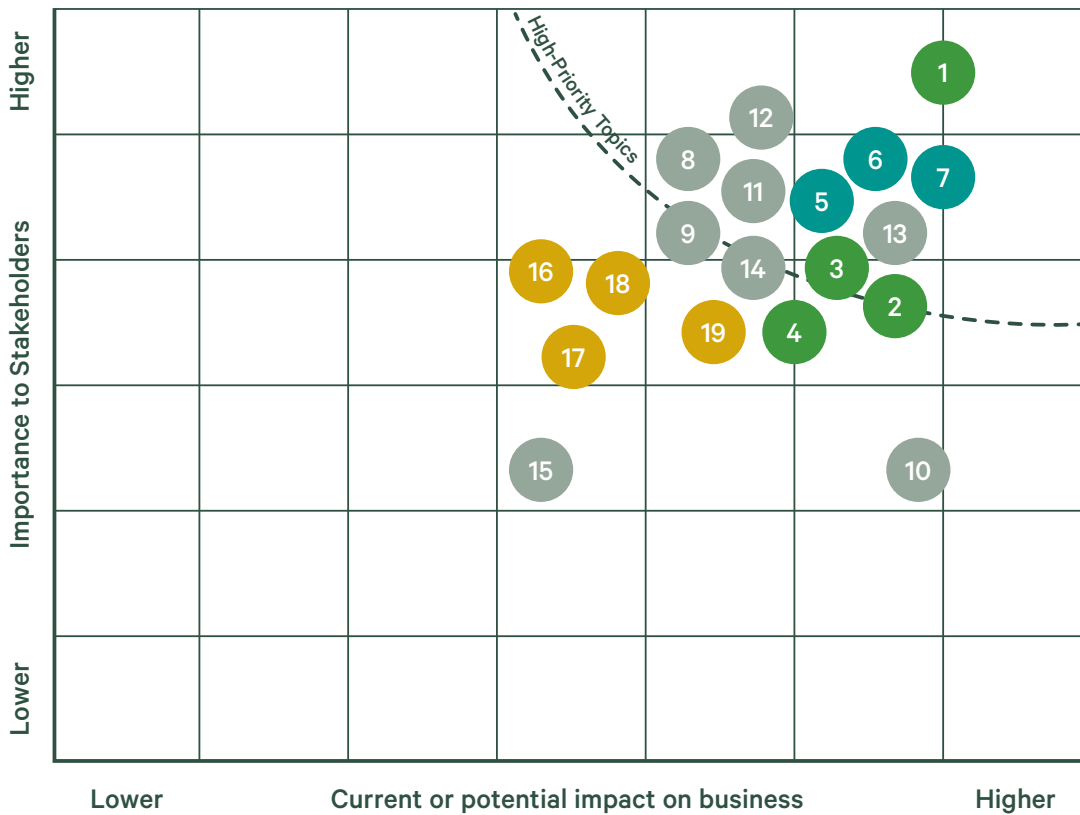
Kenmare conducts a formal materiality assessment every three years, with the next assessment due to be conducted in 2023. In the intervening years, the Executive Committee, relevant leadership team members and Sustainability Committee review our internal assessment of how issues have changed and whether new issues should be included.

As part of this process, Kenmare regularly engages with our key stakeholders to ensure that we are reporting on the most material environmental, social and governance (ESG) topics and address any concerns they may have. In addition to inputs from our year-round stakeholder engagement, Kenmare considers the Company's risks and opportunities, regulations and standards, operating environment, our own strategy, goals and targets and our purpose and values when considering what our material issues are.

Any changes in the importance of these issues were considered in the context of changes in the internal and external environment and are informed by our stakeholders' concerns and interests.

In our 2022 review, we removed duplication in the categorisation of some issues. The issues of energy, biodiversity and tailings storage all increased in importance. Kenmare and our investors have a growing focus on the Company's future energy sources in the context of growing demand as well as increased scrutiny on efforts to increase energy efficiency and to switch to more renewable sources of energy. Biodiversity rose up the agenda following the introduction of the Mozambican Government's Biodiversity Decree, stipulating No Net Loss and 15% Net Gain in critical habitats. In addition, in our operating environment, areas containing endangered and critically endangered species became increasingly threatened by community land clearance, an indirect impact of our mining activities. Tailings management is increasingly important to the business as we work to align existing operations with the Global Industry Standard for Tailings Management (GISTM) and as we prepare for the Nataka development, which will introduce a permanent Tailings Storage Facility for the first time in our operations.





Issue categories

Safe and engaged workforce

- 1 Health and safety
- 2 Security
- 3 Diversity and inclusion
- 4 Labour practices

Thriving communities

- 5 Socio-economic development
- 6 Land use
- 7 Community relationships

A healthy natural environment

- 8 Climate
- 9 Energy use
- 10 Rehabilitation
- 11 Biodiversity
- 12 Waste
- 13 Water stewardship
- 14 Tailings storage
- 15 Radiation

Trusted business

- 16 Business transparency
- 17 Supply chain
- 18 Anti-bribery and corruption
- 19 Compliance and audit

STAKEHOLDER ENGAGEMENT

Kenmare aims to be a respected and respectful corporate citizen and for our operations to run without interruption.

To achieve this, we require an understanding of the political, social, environmental, and economic context of our operations and how our presence and activities impact neighbouring communities.

Responsibility for stakeholder engagement is embedded across the business, from the Board to the Executive Committee and site leadership teams, to our community liaison teams, to KMAD, and our contractors. Everyone who interacts with Kenmare's employees, investors, lending banks, national or local government, suppliers and host communities is responsible for ensuring that we not only understand the context and impacts of our operations, but also the benefits that can arise from our activities.



Read more about [Labour Practices](#) on page 27



Read more about [Rehabilitation](#) on page 51

Employees and unions



Communities



IMPORTANCE OF ENGAGING

At Kenmare we believe that our employees are the cornerstone of our business and that a partnership approach is vital to achieving business objectives. We provide competitive remuneration and invest in professional and personal development, while providing a safe and healthy working environment.

Kenmare values our relationship with our host communities highly. Our stakeholder engagement plan is updated annually and reflects the changing dynamics in the relationship between the Mine and our host communities.

WAYS WE ENGAGE AND HOW WE MONITOR ENGAGEMENT

- Facilitate quarterly union meetings
- Undertake quarterly performance and feedback meetings with employees
- Undertake bi-monthly departmental "focal points" meetings
- Engage union representatives constructively on collective bargaining issues
- Support networking forums such as the Kenmare Women in Mining Forum
- Operate an independent whistleblowing service
- Publish Company newsletters, host town hall meetings and undertake staff engagement surveys
- Host formal bi-monthly and informal ad hoc community meetings to understand and discuss our host communities' concerns and priorities
- Support community radio stations to inform the community of Kenmare's and KMAD's activities
- Conduct Environmental, Social and Health Impact Assessments to identify potential positive and negative impacts of the Mine's activities
- Operate grievance mechanisms to address community concerns and maintain a grievance register
- KMAD hosts three meetings annually and publishes a quarterly newsletter

SIGNIFICANT TOPICS RAISED

- Training and development opportunities
- Remuneration
- Working conditions
- Labour rights
- Human rights
- Health and safety
- Respect for local values and traditions
- Socio-economic development
- Employment and procurement opportunities
- Land rehabilitation
- Community well-being

KENMARE'S RESPONSE AND ACTIONS TAKEN

- 290 public security personnel have received external training on the Voluntary Principles
- Leadership development training programme
- Employee engagement at 83% as measured by biennial survey
- Female representation in mine workforce reached 14.5%, with 25% female senior management
- 191 Ha of land rehabilitated
- \$660,000 generated by KMAD sponsored micro-businesses
- 11 new contracts with local suppliers
- Independent social baseline survey undertaken to understand impact of the Mine on its host communities over time

Government and regulators



Kenmare complies with applicable laws and regulations and we ensure that Mozambique shares in the benefits of the Moma Mine. We maintain a proactive dialogue with national, district and provincial government so they are well-informed of our activities.

- Direct engagement with local, provincial and national government authorities regarding mining rights, environmental issues and permitting
- Provide monthly, quarterly and annual reports to the Ministry of Mineral Resources and Energy
- Provide annual report to the Ministry for Land and Environment
- Provide quarterly report to the District Authorities
- Provide Portuguese summary of Kenmare's Annual Report to all government departments

- Compliance with applicable laws and regulations
- Employment opportunities and labour rights
- Health and safety
- Environmental stewardship
- Licences and permitting
- Taxation and royalties

- Publication of a Portuguese version of the Company website
- Donations of medical equipment to support the regional health service

Shareholders



Our shareholders are Kenmare's owners and their continued support is critical to the business. They provide the capital to develop and expand our operations responsibly and sustainably and consequently, we need to ensure we continue to deliver a compelling investor proposition and meet our debt obligations as they fall due.

- Attend investor conferences
- Host webinars and group presentations
- Organise one-on-one meetings and roadshows
- Host site visits
- Participate in interviews with the investment press
- Direct dialogue at the Annual General Meeting
- Produce corporate materials including announcements, company website, Annual Report and social media profiles

- Operating and financial performance
- Growth strategy
- Capital expenditure projects
- Product markets
- Environmental, social and governance (ESG) performance

- Dividends increased 66% in 2022
- Site visit held for investors and analysts in May 2022
- Second Sustainability Report published in 2022
- Third successive increase in Carbon Disclosure Project (CDP) score (currently B rated)

Suppliers, contractors and customers



We believe in building stable, long-term relationships based on mutually beneficial terms with our suppliers, contractors, customers and financial service providers. It is integral to business success that we work in collaboration with the whole value chain, as we strive for compliance with our ethical, environmental and safety standards.

- Direct communication
- Contractual relationships
- Host site visits, workshops, meetings and training
- Operate an independent whistleblowing service

- Working conditions
- Labour rights
- Human rights
- Health and safety
- Security

- 100% of the 62 on-site suppliers audited
- 79% compliance by audited suppliers with Kenmare's Supplier Code of Conduct
- \$29.5 million in payments to Mozambican government (2021: \$26.5 million)

SUSTAINABILITY STRATEGY



Kenmare's sustainability mission is to achieve a balance between the needs of our host communities, environmental conservation, and economic returns. In doing so, we aim to deliver increased value to Kenmare's shareholders and our host country Mozambique and work towards the individual missions outlined in each of our four strategic pillars opposite.

Kenmare's sustainability strategy, developed in 2021, builds on our 17-year track record of sustainable development, and sets out a longer-term vision with measurable medium-term targets.

In developing this strategy, Kenmare considered the major macro and national sustainability themes that are likely to both influence Kenmare's operations and provide either risks or opportunities that Kenmare needs to consider.

These themes included:

- The global focus and urgent need to tackle climate change and reverse the loss of biodiversity
- A growing Mozambican population, adding pressure to existing socio-economic issues
- Understanding the root causes of insurgency in Cabo Delgado and their applicability to Kenmare
- The COVID-19 pandemic and its health and economic impacts

Safe and engaged workforce

MISSION

To sustain a safe, healthy and engaged workforce.

OVERVIEW

Protecting the safety of our employees, suppliers and contractors is of the utmost importance to Kenmare. We take a proactive approach to managing safety, identifying major risks and sharing lessons to continuously improve performance. Our ability to attract, retain and motivate a diverse, high calibre and localised workforce is at the heart of our success and sustainability as a business.

MATERIAL ISSUES


- Health and safety
- Security
- Diversity and inclusion
- Labour practices

2023 TARGETS

- 20% reduction in Lost Time Injury Frequency Rate relative to three-year rolling average

2025 TARGETS

- Measurably reduce malaria
- 20% females in Moma workforce
- Engaged workforce, as measured by survey and <3% voluntary turnover
- 95% of employees having a development plan and knowing what they need to do to ready themselves for their next position

 Read more about our [safe and engaged workforce](#) on page 18



Thriving communities

MISSION

To increase the prosperity of Kenmare's host communities.

OVERVIEW

Kenmare is privileged to be able to use its presence in Moma to support the economic and social prosperity of our communities, which we take very seriously. We seek to operate in a safe, inclusive, and transparent way and engage openly with communities associated with our operations and activities. Kenmare is committed to listening to communities' concerns and priorities, and constructively resolving any differences in a transparent manner.

MATERIAL ISSUES


- Socio-economic development
- Land use
- Community relationships

2023 TARGETS

- 4% increase in operating expenditure with Mozambican suppliers

2025 TARGETS

- Increased procurement with Mozambican suppliers
- Quantifiable improvement in:
 - Micro-loan repayments
 - Pupil literacy and numeracy
 - Water quality at community boreholes
- Progress against relevant Sustainable Development Goals

 Read more about our [thriving communities](#) on page 30



A healthy natural environment

MISSION

To create and sustain a positive environmental legacy.

OVERVIEW

We focus on reducing greenhouse gas emissions from our own operations, ensuring our business is resilient to climate-related risks, and can capitalise on opportunities related to the transition to a low-carbon economy. Minimising or mitigating the impacts of our operations on the environment and biodiversity includes our progressive rehabilitation programme, water use, and management of waste, air emissions, noise, and dust.

MATERIAL ISSUES


- Climate
- Energy use
- Water stewardship
- Rehabilitation
- Biodiversity
- Tailings storage
- Waste

2023 TARGETS

- On track to deliver 12% emissions reduction in 2024 (relative to 2021 baseline)

2025 TARGETS

- Progress against climate targets
- Support designation and protection of Icuria forest as a sustainable community forest
- Balanced post-mining land use programme providing food security and biodiversity
- Complete implementation of water reuse infrastructure. Water accounting in alignment with International Council on Mining and Metals guidelines
- No reportable tailings releases, no significant findings from six-monthly audit

 Read more about our [healthy natural environment](#) on page 42



Trusted business

MISSION

To drive improved ethics and transparency in our business and supply chain.

OVERVIEW

We aim to be a trusted business and support transparent disclosure, so we can be accountable for our actions and commitments. All our staff recognise their personal and collective responsibility in upholding Kenmare's business integrity. Our high standards are enshrined in our policies and the laws and regulations of Ireland, the UK and Mozambique. We also work with our suppliers to ensure our high sustainability standards are upheld.

MATERIAL ISSUES


- Business transparency
- Anti-bribery and corruption (ABC)
- Supply chain
- Compliance and audit

2023 TARGETS

- On-site suppliers achieving an average of 80% compliance with Kenmare's Supplier Code of Conduct

2025 TARGETS

- External risk assessment of ABC risks in business and supply chain
- On-site suppliers achieving an average of 85% compliance with Kenmare's Supplier Code of Conduct
- External assurance of public security forces upholding the Voluntary Principles on Security and Human Rights

 Read more about our [trusted business](#) on page 56



SAFE AND ENGAGED WORKFORCE

SAFE AND ENGAGED WORKFORCE

The safety of our workforce is the primary concern that drives our day-to-day decision making and work activities. Our goal is to make sure everyone can complete their work safely and well. We were extremely proud of our record of nearly 12 million workhours with no Lost Time Injury (LTIs) achieved in September. We also work to create a working environment where diversity is harnessed, where we develop our talent and where our employees can have fulfilling careers.

Achievements

- An industry-leading safety performance milestone of almost 12 million LTI-free hours achieved in 2022
- Mozambican operations certified to NOSA standard, aligned to ISO 45001 International Standard
- Five-Star NOSA rating for seventh consecutive year
- Kenmare reported no major safety concerns on audit findings
- While employee engagement dropped to 83% (2020: 97%), engagement levels are still significantly above global averages
- 100% of senior management completed the Leadership Coaching Programme, focused on empowering their teams
- Localisation rates exceed regulatory compliance at 96.7%
- Female representation in mine workforce reached 14.5% (2021: 12.5%)
- Security strategy delivered a 49% reduction in criminal activity relative to 2021
- Roll out and take up of the wellness programme

Challenges

- Investigation into one LTI showed management gap in working on live equipment
- Lack of progress on the revision of our Malaria Vector programme
- More progress to be made to convert police arrests into prosecutions and jail sentences
- Wellness workshops were made mandatory for all staff after initial slow take-up

Standards and guidelines

- IFC Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- IFC Performance Standard 2: Labour and Working Conditions
- Kenmare Health & Safety policy
- NOSA standard, aligned to ISO 45001 International Standard
- Kenmare employment policy
- Kenmare freedom of association policy
- Kenmare diversity and inclusion policy

Material topics

- Health and safety
- Security
- Diversity and inclusion
- Labour practices

Stakeholders

- Employees
- Suppliers
- Communities
- Investors

Sustainable Development Goals



0.09

LTIFR PER 200,000 HOURS WORKED (THREE-YEAR ROLLING AVERAGE: 0.18)

91%

WOULD RECOMMEND KENMARE AS A GREAT COMPANY TO WORK FOR (2020: 93%)

25%

WOMEN IN MOMA MINE SENIOR MANAGEMENT (2021: 24%)

84%

REDUCTION IN SECURITY-RELATED LOST OPERATING TIME YEAR ON YEAR

SAFE AND ENGAGED WORKFORCE CONTINUED

Risk management

Our health and safety risk-based management process focuses on improving our ability to anticipate and prevent harm to our people, assets and communities. This approach entails a continual hazard identification process that raises health and safety awareness and integrates H&S best practices in every area of the Moma mine. It also encourages active employee participation to promote a safety culture.

Our aim is to ensure each of our employees and contractors return home safely at the end of each shift. Our people's commitment, engagement and awareness, training and ultimately their behaviours are key to us achieving this shared goal. Striving for a 'zero-harm' working environment is our number one priority.

We are committed to preventing and mitigating any safety risks and their impacts and to identifying and capturing opportunities that deliver positive impacts. Our safety performance is an important indicator of Company culture; safety KPIs are therefore monitored regularly by the Executive Committee, Sustainability Committee and the Board.

Our health and safety strategy relies on improving our ability to proactively identify and prevent harm to our people. We provide safe working conditions and aim to prevent work-related injuries by carefully managing strategic risks and opportunities at all levels of the business, including management and employee committees. To hold all staff accountable for prioritising safety, we incorporate safety and health metrics in our annual incentive plan for Executives and employees.

Kenmare's risk management framework was developed with the participation of the workforce and aims to identify, assess, and manage the risks related to operational activities and processes. It comprises:

- A hazard identification and risk management framework using Take 5, General Task Assessment (GTA) and detailed risk assessment processes
- Visible Felt Leadership, where leadership meet with employees, listen to their health, safety and environment challenges, and support them
- Standard implementation through inspection, coaching and Planned Task Observation by the leaders of high-risk activities
- Continuous and targeted HSE campaigns
- Critical audits and monthly inspections
- Red card, empowering employees and contractors to stop, address and report unsafe acts and conditions
- Recognition programme for safe behaviours that contribute to HSE cultures and zero tolerance on golden rules' breaches
- "Learning from incident" investigations.

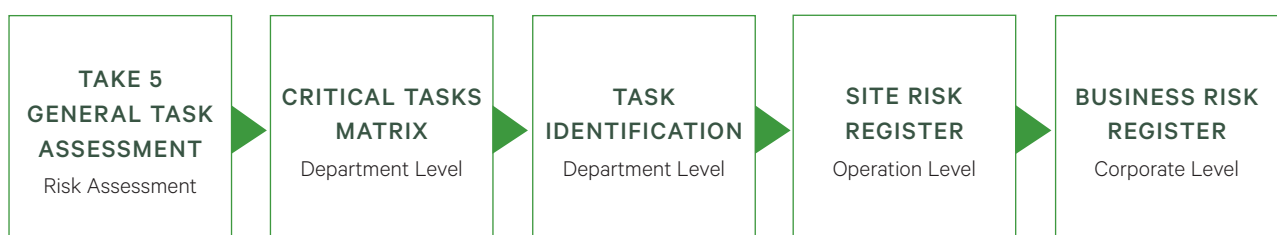
Health and Safety

Kenmare's H&S management framework leads with the policies, which set the standards that we must hold ourselves accountable to. It is followed by leadership behaviour and active engagement with staff and suppliers to encourage the observance of our policies and standards. These two components are underpinned by management systems that help us monitor and track health and safety performance and areas for improvement.

Kenmare's safety risk management framework



Kenmare's H&S risk management process



Health and safety performance

Kenmare is extremely proud of our record of almost 12 million hours worked with no Lost Time Injuries (LTIs) up to September. While Kenmare's LTIFR increased to 0.09 incidents per 200,000 hours worked compared to 0.03 in 2021, it nevertheless improved by 50% relative to the three-year rolling average of 0.18.

Of the three LTIs that took place in the second half of the year, two were relatively minor accidents, caused by a lack of attention and not directly connected to operations. The third, more serious LTI, involved working on live equipment, revealing a flaw relating to working on live electrical equipment. This is clearly unacceptable, and we have taken all measures necessary to ensure a similar incident does not happen again.

These measures included a stand down to reinforce accountability with all leaders. Safety leadership and named responsibilities have also been integrated into the Full Role Delivery Programme. Going forward, the planned task observation profile has been improved and will focus on full equipment shut downs. New working practices have been defined and implemented including stricter measures to regulate all live work. The team has also developed a Live Work (electrical) Standard Operating Procedure and permit to work, reviewed the planned maintenance system and is enforcing the planned maintenance shut preparation.

External audits

Kenmare's safety performance is externally assured by the National Occupational Safety Association (NOSA), an external occupational risk management company, which conducts an audit of Kenmare's environment, health, and safety practices at the Moma Mine on an annual basis. For a seventh consecutive year, Kenmare achieved a five-star certification, reflecting the Company's continued commitment to safety management and training. Kenmare also retained its "NOSCAR" status, NOSA's high performance award. In 2023, we will work to continuously improve further areas such as fire risk assessment, management of lifting equipment, management of electrical panels, scaffold tagging and approval.

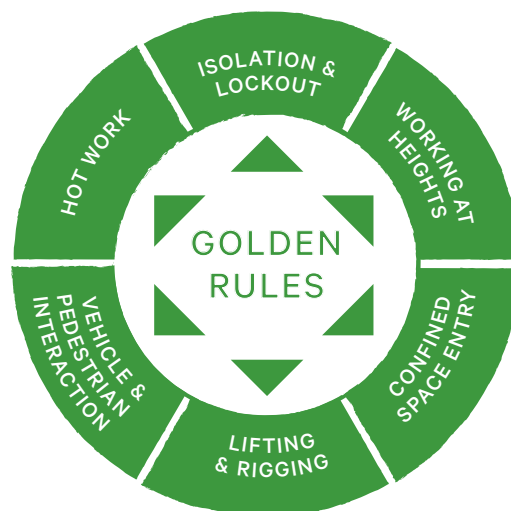
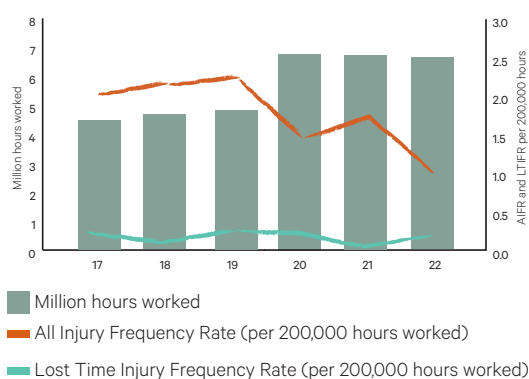
Safe and Sustainable 1.2

"Safe and Sustainable 1.2" is an internal campaign in its second year, and has become a mantra for all staff. Led by our General Manager and Heads of Department (HODs), with assistance from the health and safety, environment and communications teams, the clear and simple message of the campaign is that safety comes first. "Sustainable" was added in 2022, to include a focus on energy efficiency, water conservation and land rehabilitation. Safety messages were also communicated via banners, posters, the staff newsletter, T-shirts, and digital platforms. Each month teams recognised their collective safety leadership and success by taking part in celebratory competitions involving prizes.

Golden rules

The six golden rules, which have been in place since 2017, serve to remind employees of the major fatality risks and mitigations on site and to efficiently risk assess their safety behaviour in those different operational contexts. A new, seventh golden rule "Working around active mining face" was previously identified and will be rolled out in 2023.

SAFETY PERFORMANCE



SAFE AND ENGAGED WORKFORCE CONTINUED

Employee well-being

We are committed to creating a culture that promotes employee well-being through healthy lifestyles. The key health and well-being concerns of our employees, are work-related accidents, malaria and chronic diseases, such as Diabetes, high blood pressure and HIV-AIDS. Our dedicated on-site medical clinic at the Moma Mine, is run by professionally trained staff. They assess and treat any injury that occurs on-site and are equipped to respond to any illness or medical emergency that may arise. All employees participate in our annual medical surveillance programme.

The medical clinic provides primary medical care, and we have partnerships with external health service providers, such as Nampula Central Hospital and Maputo Central Hospital to provide access to further medical expertise if required. Kenmare's health education and wellness programme, "Thrive", which launched in 2021, aims to prevent chronic diseases and raise awareness about the importance of maintaining physical and mental health.

In 2022, we ran Thrive workshops aimed at building employees' general understanding of the challenges of living and working with chronic diseases. Attendance at the workshops is mandatory, given the strategic objective to improve all employees' and contractors' health and well-being. The workshops educated employees on healthy and nutritious diets and gave them knowledge and skills to manage the impacts of these chronic diseases. Three workshop sessions were

conducted, where the participants reflected on the personal impacts on themselves and the community as well as on organisational areas such as finance, policy and procedures and business climate and global development. Kenmare brought in third-party speakers, including a General Practitioner and nutritionist, and used group activities, discussion and individual questionnaires to cover these topics. By year end, 48% of the workforce had attended the workshops.

Through awareness-raising more employees have come forward to be diagnosed with chronic diseases, which is the first step in being able to treat them. However, we have more work to do in the years ahead, as the proportion of these employees who are currently not treating their diseases has proportionately increased.

Chronic diseases	2021	2022
Total number of chronic diseases	155	311
Controlled	104 (67%)	173 (56%)
Not controlled	51 (33%)	138 (44%)

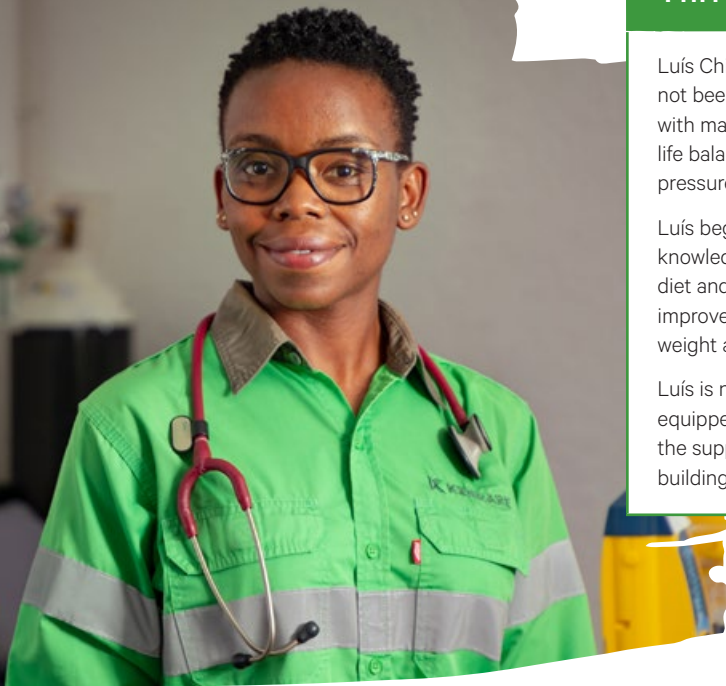
The Company also made available a fitness app, Woliba, to promote, track and share individuals' physical activity. The case study below shows the impact Woliba is having on some of our staff.

Thrive wellness programme

Luís Chitumba, Kenmare's Engineering Projects Superintendent, had not been prioritising his health, gaining weight, having challenges with managing his personal finances and not achieving a good work-life balance. These factors contributed to him developing high blood pressure.

Luís began using the Woliba wellness digital platform, which gave him the knowledge and tools to create a better work-life balance, eat a healthier diet and better manage his personal finances. Slowly he began to see improvements in his health and mental wellness. Luís is managing to lose weight and his blood pressure is now back to normal.

Luís is now more optimistic about the future: "I feel more empowered and equipped to manage my own mental and physical well-being and with the support of Kenmare and my colleagues, I am confident I can keep building on this and maybe one day become a role model for others."



Malaria

Malaria continues to be one of the highest causes of death in sub-Saharan Africa. According to the World Health Organization (2021), Mozambique has the fourth highest prevalence of malaria in Africa and the Moma Mine is situated in a malaria endemic region. Several additional factors including environment, increasing human population, and high levels of poverty predispose workers and residents to high malaria risk, making it a primary health challenge.

Kenmare is committed to seeking and supporting the most effective prevention methods that will reduce the risk to our workforce and host communities. The overall incidence rate of malaria amongst our workforce increased in 2022, with 1,540 cases throughout the year, compared to a five-year average of 1,290. The number of workdays lost to malaria cases was 4,620, which compared to the five-year average of 3,880. The cause of this is believed to be related to supply constraints on chemical spraying and a long wet season bringing large volumes of standing water.

Malaria management programmes implemented on-site targeted bite prevention and vector control through indoor residual spraying and larvae control and were complemented by awareness and education campaigns. A community-agreed programme to spray the inside of every house led to a small reduction in malaria cases within the wider community.

Kenmare intended to conduct a malaria study in partnership with a research partner in 2022. The partnership did not progress and an alternative Mozambican partner was identified, therefore this programme was postponed to 2023. The study will develop new tools to strengthen malaria vector control and management programmes.

World Malaria Day

Kenmare recognised World Malaria Day on 25 April and created a programme of events to raise awareness among employees, suppliers and communities about the important role we all have to play in malaria prevention. Kenmare's medical team carried out 14 awareness sessions for employees and contractors. They discussed why malaria is endemic to Mozambique and techniques to prevent contracting the disease. They also educated suppliers and communities on how the disease is transmitted; its symptoms; how to diagnose it; and treatment and prevention with Chemoprophylaxis, mosquito nets, spraying and long-sleeved clothing.

Branded T-shirts were distributed to all employees and quizzes were used to test their malaria knowledge. Mosquito nets were distributed to the 800 employees living in community villages. The community were also asked to share their wisdom on malaria prevention and treatment, so that we could understand and maximise the community participation.



SAFE AND ENGAGED WORKFORCE CONTINUED

Security

Kenmare's security strategy considers the national, regional, and local landscape of security issues and trends as well as the respective authorities' response and capacity to manage those risks. Our security management evaluates potential risks to our employees and contractors, property and assets and community safety, whilst protecting human rights in the deployment of security-related force. You can read more about how we support our Public Security forces to uphold the Voluntary Principles on Security and Human Rights on page 61.

Kenmare's security strategy was updated in 2021 to renew our focus on people protection, theft prevention and insurgency monitoring. Through the new strategy, we increased security resourcing and introduced security accountabilities for operational management. In addition, we deployed more stringent consequence management for criminal activity, creating a further barrier to potential criminal activity from employee and community members.

In 2022, our security resources remained constant relative to the previous year, with over 176 employees and 20 contractors, who worked alongside the local police and national armed services. Kenmare's security personnel are not armed. The number of security incidents decreased by over 49% year on year. The severity of threat, relating to escalating violence, reduced to zero. The security team prevented 28% of potential thefts and recovered 25% of stolen items by number, including 1,600kg of copper and 1,600 litres of diesel. More significantly, our interventions have led to an 84% reduction in security-related hours of operational shutdown in the mine. In 2022, there was a total of 53 hours of security-related shutdowns, compared to 323 hours in 2021. Improved and increased presence of technology alert systems are playing a key role in our improved security performance. Our robust field technology includes mobile phone and tablet monitoring software, high resolution video verification, night vision, drones, and alarm systems triggered by voice. Importantly, we have also invested in skills development training for our personnel to effectively operate these new systems.

In addition, Kenmare is taking greater efforts to progress incidents through to convictions, employing greater levels of intelligence. The employment of legal support has improved the conviction rate with 77% of police investigations progressing to arrests and a third of all arrests are progressing to court cases in Angoche.

Cabo Delgado Insurgency

The insurgency in Cabo Delgado, in which a group known as al-Shabaab have been terrorising local communities since October 2017, continued to be an issue of ongoing concern and surveillance for Kenmare throughout 2022. Some 4,500 people have been killed and an estimated 700,000 people have been internally displaced through the insurgency.

The Mozambique Defence Armed Forces continued to receive support from the Rwanda Defence Force, and the Southern African Development Community states. Together they have conducted offensives against local rebels, and have had some success in regaining control over Cabo Delgado province, although Total Energies' LNG project remains under Force Majeure.

The regionality of the conflict, as well as the distance, poor road infrastructure inland and limited sea-based resources continue to limit the likelihood of the Moma Mine being a target. Nevertheless, we remain vigilant to the threats posed by this terrorist movement. Kenmare has also invested in sea-based assets for naval public security forces, with a security patrol boat due for arrival in 2023. This vessel will provide the navy with the capacity to patrol the waters adjacent to the mine and wider area, enhancing our sea-based operational security measures, and mitigating potential insurgency risks.

49%

REDUCTION IN SECURITY INCIDENTS

Female security talent

Elsa Bernardo joined Kenmare in 2020 as a Heavy Mobile Equipment (HME) operator, before progressing to Control Room Operator and then Junior Supervisor in the Security Department. Despite being one of nine women in a security team of 176, Elsa says she is treated as an equal and with respect by her male colleagues. The job, by its nature, involves some risk, but Kenmare provides training, equipment and support to ensure those risks are minimised.

Elsa says “Kenmare supports women in their careers by encouraging us to study and providing loans for further education. The Company is committed to increasing the proportion of women across all job levels and departments, and it’s encouraging to see more women in roles previously considered only appropriate for men.”

Elsa’s advice to other women wanting to progress their careers in security and in the mining sector is: “Be strong, we must demonstrate we are as capable in terms of performance and behaviour. Be sure of what you aim to achieve and continuously invest in your education.”



Our people, culture and values

We are committed to providing a safe, inclusive work environment, in which our employees are valued, with opportunities for a rewarding career supported by learning and skills development. We aim to recruit and retain a highly qualified, skilled and diverse workforce, with a culture that puts safety first and enables people to realise their full potential.

Our employment policy, diversity and inclusion policy and freedom of association policy sets out the standards by which we hold ourselves to account and those to which we expect our contractors and suppliers to follow.

Localisation

Kenmare’s proportion of Mozambicans permanently employed by the mine exceeds the regulatory requirements at 96.7%. We continue to build the pipeline of Mozambican talent for the long term through internships, our Technical Development Programme and Graduate Development Programme (TDP and GDP) that gives incumbents exposure to all departments across the mine.

Other development programmes include the Engineering Gap Training Programme, building capacity among artisans, the Supervisory Development Programme (SDP) for mid-level managers, and the Leadership Coaching Programme (LCP), for all leadership positions, supervisors, superintendents and managers.

In 2023, we will build on these interventions through new programmes. These include the “Next HME Operator concept”, where HME operators will move from basic operations to take on responsibility for maintenance and equipment care. Other initiatives include: the Tom Dobell Programme, helping artisans to develop and achieve higher standards; the Mentorship Programme, where 10 individuals identified as top talent will be mentored; on-the-job coaching for managers, superintendents and supervisors; and “Programa Padrinho” (the Godfather programme), in partnership with the Universidade Eduardo Mondlane, where Kenmare will sponsor bursaries for students studying technical roles.

SAFE AND ENGAGED WORKFORCE CONTINUED

Diversity and inclusion

Kenmare believes diversity is a key driver of business success and we are working to address the challenges relating to unequal gender representation at all levels within the business.

During 2022, Kenmare's Board was made up of nine members, with female representation at 33%. At the end of 2022, we announced that Sameer Oundhakar, a representative of the Oman Investment Authority (OIA), Kenmare's largest investor, would step down from the Board on 21 December 2022. The OIA's replacement Board representative is Issa Al Balushi, who will join the Board from 26 January 2023. In 2022, Kenmare's Executive Committee was made up of 10 members, with 20% female representation.

At the Moma Mine, women make up 14.5% of the workforce (2021: 12.5%), and 25% of the senior management team (2021: 24%), with women holding key positions including Mine Manager, Mineral Separation Plant Manager, Technical Manager and Deputy Country Manager.

To build the pipeline of future employees, Kenmare offers approximately 30 internships each year and preference is given to females. In addition, our Graduate Development Programme (GDP), a two-year programme offering on-the-job training and development in junior roles across all departments, has a target of 70% women. Similarly, the Technical Development Programme (TDP), involving a one-year placement in technical departments in Kenmare has a target of 50% women. Finally, we run a Gender Accelerated Leadership Programme, which in 2022 included two women identified for middle management positions.

Developing female talent in the community

In 2019, KMAD built a Technical Training College in Topuito, where students can obtain a Vocational Certificate – Level 5 qualification. In 2022, its fourth year of operation, the college had a total of 244 students enrolled, 34% of whom were young women. To encourage female students to attend the college, Kenmare has sponsored a total of 80 female students to date. In 2022, the first intake of 55 students graduated from their three-year courses. Students of civil construction, industrial electronics and mechanical construction successfully gained their qualifications. Of these 55 students, Kenmare sponsored 28 female bursars. Kenmare has placed these graduates as interns either directly within its business or within its suppliers' businesses.

We also have a policy of recruiting only women as Heavy Mobile Equipment Operators (HME). Women have shown to be more cautious and careful HME operators; and are proving to stay longer in these roles, particularly if employed from the local communities, relative to their male counterparts.

The goal to achieve 20% female representation at the mine by 2025 will be challenging. There is a historical deficit of women in the Mozambican mining industry. There is also a deficit of educated women in the local district and province, largely related to cultural expectations of women's role in society as caregivers and smallholder farmers as opposed to income generators. The Company has a low voluntary employment turnover rate of 2%. Finally, the rotational patterns that 87% of our employees work mean that women starting families sometimes struggle to spend extended time away from their families. To help address these challenges, maternity leave has been extended to four months, from the two months legally required and flexible rosters have been put in place, so women can have shorter on rotation shifts in the first six months after returning from maternity leave.



Gender accelerated leadership programme

Isabel Moiane has worked for Kenmare since 2016. She initially joined on the Graduate Development Programme, working in mine planning, where she identified improvements across all operational areas. Isabel was the only woman working in mine planning at the time. After two and a half years, she was promoted to Junior Mine Planning Engineer, a role which involved laying out design plans including roads, rehabilitation areas, infrastructures etc. After two years, Isabel was promoted again to Mine Planning Engineer, focusing on short-term mine plans optimising safety, time and cost. She also completed the Senior Development Programme. In 2022 she was promoted to Execution team leader, where she develops strategic plans ahead of plant shuts for maintenance.

Over the last six years, Isabel has also become a mother. She felt very supported during her pregnancy, while on maternity leave, and most importantly on her return to work. Isabel commented: "The most rewarding part of working for Kenmare has been the positive feedback I have received on my work and the fact that I feel truly part of the team and enjoy being a team player. I am also proud of being a role model to younger and more junior women at the mine."

Labour practices

Kenmare's employment policy sets out the expectations the Company has of its employees, including compliance with the relevant national laws and employment standards. Employees are paid a living wage and are compensated competitively relative to the industry and local labour market. In 2022, the minimum standard wage for an entry-level position at Kenmare was more than double that set by the Government of Mozambique.

We include maximum working hours in our conditions of employment and verify prospective employees' ages to ensure we do not employ anyone under the age of 18. We adhere to laws relating to applicable wage, work hours, overtime, and benefits.

Aligned with Kenmare's principle of "We Care", full-time employees enjoy a range of benefits, including healthcare, personal accident cover, parental leave and retirement provision. Management positions also benefit from the Company's share awards scheme.

Kenmare respects the right of employees to freedom of association and the right to collective bargaining without interference, and freedom from discrimination. Our commitments are set out in full in our freedom of association policy. Stable labour relations are essential to our operational productivity.

We maintain proactive and transparent dialogue with our employees, trade unions and local community representatives to resolve concerns as and when they arise. Almost half of our Mozambican workforce are members of the trade union, SINTICIM. Union meetings take place throughout the year. These range from informal meetings between the Union, HR and Heads of Department, to formal meetings with each department's Union representative. The purpose of these meetings is to resolve any labour issues. In addition, the General Manager and HR Manager attend quarterly review meetings with the Union and annual meetings to negotiate salary rises and conditions of employment.

During 2022, we enjoyed positive labour relations with no industrial actions or disputes. Collective bargaining unit salary increases matched inflation of 10.8%, as per the wage agreement in place. The next salary negotiations will take place in June 2023. Other benefits, such as transport allowances were also adjusted in line with inflation.



Topuito Technical College bursar student

Ancha Felisberto Agy lives in Mititcoma, with her older brother. She's originally from Nampula city. For the last three years Ancha has been a bursary student, sponsored by Kenmare at the Topuito Technical College, studying industrial electricity. Ancha says: "Kenmare's bursary made a significant difference in my life." Before the bursary, she used to walk two hours from home to school, which was very challenging, but with the bursary allowance, she could afford to pay for transport every day and purchase a computer to study on. Having completed her technical vocational education, she will start an internship, so she can execute what she has learned and have the chance to get a job. "None of this would have been possible without the bursary," Ancha explains. Ancha would now like to further her education, by pursuing a degree in electrical engineering and take English classes, and ultimately work for Kenmare as an electrical engineer. Ancha's advice to other young women is: "Never be afraid to do the course simply because people perceive the vocation as being a male one. Be eager to work and love your profession. Always put safety first and never take shortcuts."

SAFE AND ENGAGED WORKFORCE CONTINUED

Dependent care and special leave

For female employees becoming mothers, in addition to statutory requirements of Mozambican law, Kenmare provides two months of maternity leave with full pay. Beyond the first two months, employees can take additional maternity leave which is paid for by Social Security (INSS).

Training and development

Investing in training and development is key to equipping our people with the skills and knowledge they need to perform their work efficiently and safely, and to achieve the Company's goals. Kenmare's commitment to training and development extends across all levels of the business with \$1.2 million invested in more than 71,000 hours of training for our employees, equivalent to \$810 per person at the Moma Mine in 2022. This investment equates to approximately 46 hours of training per person, with the focus on safety, supervisory and leadership development, and specialist skill enhancement.

The iNNERSHIP "Leadership Coaching Programme", introduced in 2021, continued into 2022 and supported our Heads of Department (HODs), Superintendents and Supervisors to help them support their teams and improve engagement. It included components on making coaching part of our leaders' culture; leaders' ownership

of safety and their role-modelling and responsibility for this key topic; as well as self-awareness and self-development. In 2022, 186 leaders successfully completed this programme.

Management development training was offered to over 130 team supervisors, who completed a new supervisor training programme. Supplementary specialised vocational training was also provided for 244 employees working in mechanical, electrical and boilermaker trades. Each person completed a two-month programme as part of a small group to minimise the impact on work outputs and operations.

Additionally, Kenmare's Heads of Departments, Superintendents, Safety Officers and Training Personnel participated in NOSA Occupational Health, Safety and Environmental Management System and NOSA Auditing Training Programmes.

Our commitment to supporting and developing our workforce is resulting in an overall improvement in skills and technical competence. This approach has increased the work readiness of trainees and facilitated the career progression of more employees in operator, technical and specialist positions.



iNNERSHIP Leadership Coaching Programme

Mouhamed Drame, is the Technical Mining Manager and has worked at Kenmare for five years. He joined as the Mine Planning Superintendent and was promoted to his current role, where he leads a team of 39 and is responsible for the geology, geotechnical, hydrogeology, strategic and tactical planning activities of the mining operations. Mouhamed's daily challenge is to balance delivery against the Company's geological mineral resources, assets and commercial and sustainability goals.

Mouhamed started the iNNERSHIP Leadership coaching programme in 2022, along with his leadership peers. "iNNERSHIP has been a game changer for me", states Mouhamed. "It has helped me to discover myself and improve my leadership skills. Importantly, it has helped me to listen more and give others space to express themselves, sharing their ideas and point of view."

Mouhamed is integrating the iNNERSHIP coaching methodology into his everyday role, by dedicating more time to engage with his team and peers. He encourages his team to be more open with each other, including raising concerns and focusing on people development. Mouhamed's personal motto is "We succeed by supporting and growing people".

Career progression

One of the findings of the 2020 Employee Engagement Survey was employees' expectations to progress their careers in the organisation. As part of the action plan to respond to that finding, we engaged an external consultant and initiated the career path project which involves profiling of all mine positions and the potential career paths for each role. That exercise involved establishing the purpose, skills, knowledge, experience, education and essential soft skills required for each employee to succeed in their role, laying the foundation for career advancement.

In addition to this, in 2023 we will run a programme called "Full Role Delivery". This builds on the Leadership Coaching Programme and will help our leaders operate at the right leadership level, building role accountability, planning capability, effective delegation and providing good direction and coaching to their teams.

In 2023, we will start the programmes with our Heads of Departments and Superintendents, cascading down to Supervisor level in subsequent years.

Employee engagement

Kenmare recognises that strong employee engagement leads to higher productivity, longer tenures, and increased levels of diligence and discretionary effort. At the end of 2022, Kenmare ran its biennial engagement survey, which aimed to gain a better understanding of the overall level of employee commitment, well-being and views on critical aspects that may potentially impact engagement. Overall engagement levels were found to be 83%, 14% lower than the previous survey (2020: 97.25% engaged). This is nevertheless high relative to global benchmarks such as Gallup's State of the Global Workplace where engagement levels are 20% and a global average of 65%, as assessed by the research company undertaking the survey. Kenmare's results showed a greater polarisation, with more employees registering as either highly engaged or disengaged. For example, 39% of employees are highly engaged in 2022, compared to 22% in 2020. Conversely, there were 17% disengaged, compared to 3% in 2020.

Drivers for higher levels of engagement included employees finding their roles meaningful, being sufficiently stretched, and challenged, and having autonomy or being accountable for their work. Safety and well-being remain important drivers for engagement together with quality of leadership, social support and engagement of teams. Employees overall feel heard and that their opinions are valued. They see the organisation as trustworthy and demonstrating an ethical approach to communities and the environment.

Drivers of lower engagement include a lack of encouragement to act when seeing a problem, inadequate acknowledgement of good performance, an absence of regular and meaningful feedback, and limited opportunities for development and growth. Some also highlight that there is insufficient communication on the Company strategy, or enough open and honest communications. Almost half of employees see their workloads as having increased.

The management team is carefully reviewing these results and will be forming department specific plans to address the findings as well as developing programmes for common thematic areas. The issue of increasing workloads, we hope, will be partly addressed through the Full Role Delivery programme, which all Heads of Department and Superintendents will go through in 2023. This will help them be more effective leaders, including effective planning and resource management, which in turn should help alleviate unmanageable workloads.

Sexual harassment and bullying

The Western Australia Parliamentary inquiry into sexual harassment against women in the mining industry was a catalyst for reflection for many mining companies. In addition to a qualitative internal management-led investigation into the experience of bullying and harassment at Kenmare, we included several questions in our Employee Engagement survey to get a quantitative assessment. Of the employees that responded to this question, a very small minority said that they had experienced sexual harassment. A slightly larger proportion have said they have experienced bullying.

Kenmare's clear position is that harassment, bullying, assault, and discrimination based on gender, race, cultural or ethnic background, LGBTQI+, or age is unacceptable, and any discriminatory actions or words are not reflective of Kenmare's inclusive and respectful work environment.

Plans are in place to create awareness of these behaviours, Kenmare's zero tolerance of them, and specialised training to help address and prevent this behaviour from occurring. We will monitor our efforts to stamp out bullying and sexual harassment in future surveys.



THRIVING COMMUNITIES

THRIVING COMMUNITIES

Kenmare’s mining concession comprises 34,000 ha of coastal area, home to approximately 21,000 people in Topuito and 24,000 in the Pilivilil locality¹. Unlike many mine sites that have fence lines preventing people from entering, communities live, farm, collect natural resources and travel freely across the area. As a result, strong relationships with our communities are essential for our social licence to operate.

¹ According to latest government census data

Achievements

- Repair of community social infrastructure buildings caused by Storm Ana, outside our normal financial and operational community plans
- Completion of 83 community houses for the resettlement to project-affected families in the Isoa village
- Completion of the Pilivilil, Muolone, Mpuitini and Epuri schools, and construction of the Cotocuane school underway
- Began a two-year programme, building school teacher capacity, co-funded by our partner FMO
- Began planning for the Larde hospital, which, when completed, will provide medical treatment for the whole district
- Re-instituted soccer tournaments for boys and girls following a hiatus during COVID-19

Challenges

- Sanitation: influencing community sanitation practices
- Education: progress on literacy rates relative to numeracy rate improvement is slower, with Makhuwa being primary language of communities
- Community road safety awareness

Standards and guidelines

- IFC (2012) Performance Standard 4: Community Health, Safety, and Security
- IFC (2012) Performance Standard 5: Land Acquisition and Involuntary Resettlement
- Mozambican Resettlement legislation
- Kenmare’s stakeholder engagement policy
- Kenmare’s community engagement and social investment policy
- Kenmare’s community grievance procedure
- Crop compensation procedure

Material topics

- Socio-economic development
- Land use
- Community relationships

Stakeholders

- Communities
- Government
- Suppliers
- Employees
- Investors

Sustainable Development Goals



\$3m

INVESTED BY KMAD IN COMMUNITY PROJECTS

\$660,000

GENERATED BY KMAD-SPONSORED MICRO-BUSINESSES

17%

IMPROVEMENT IN NUMERACY RATES AT KMAD SPONSORED SCHOOLS

28

FEMALE SPONSORED STUDENTS GRADUATE FROM TECHNICAL COLLEGE

THRIVING COMMUNITIES CONTINUED

Risks and opportunities

The material issues identified by the Company which are of most concern to both communities and Kenmare relate to socio-economic contributions, land use, community relationships and security. Each of these issues present both a risk to Kenmare's social and regulatory licence to operate as well as an opportunity to strengthen it and increase the prosperity and well-being of the communities that share the land within the mining concession.

Engaging with affected communities

Kenmare is committed to proactive stakeholder engagement with communities, upholding Mozambican law and IFC Performance Standards with regards to resettlement of project-affected communities, and growing socio-economic opportunities. Kenmare's community team is responsible for engagement with communities and local authorities on Environmental, Social Impact Assessments (ESIA) associated with the current environmental and social impacts and those associated with the future mine path, including resettlement action plans.

Over and above regulatory obligations, Kenmare founded, funds and oversees the work of the Kenmare Moma Development Association (KMAD), a not-for-profit association established in 2004. KMAD designs and implements development programmes and projects in consultation with communities, local authorities and NGO partners. KMAD's three-year strategic plan has four pillars:

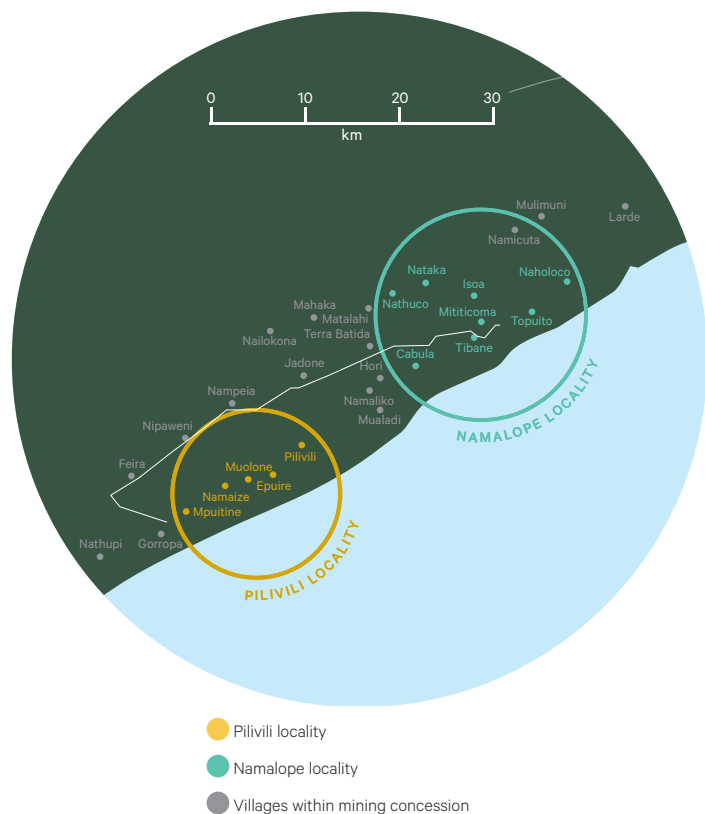
KMAD's four strategic pillars

1. Livelihoods and economic development;
2. Healthcare development;
3. Educational development; and
4. Water and sanitation.

To track the progress of Kenmare and KMAD's programmes, both entities engage continuously with communities, providing feedback on their progress, monitoring results and keeping communities informed. For more information, see disclosure on Community Relationships on page 41.

Socio-economic development

KMAD's development programmes are delivered in two areas: the Topuito locality, which holds the Namalope deposit, where Kenmare has been mining since 2007, and Pivilivi and Mpaco, where mining began in 2020. Topuito locality is home to approximately 21,000 people from 4,200 families and includes the villages of Nathuco, Nataka, Mititicoma, Isoa, Tibane, Cabula, Topuito, Naholoco and Mulimuni. In Pivilivi and Mpaco localities, the villages affected by Kenmare's mining operations are home to approximately 24,000 people from 4,800 families in the villages of Pivilivi, Epuri, Muolone, Mpitini and Namaize. KMAD works to a strategic plan that is revised and updated every three years, based on the learnings from previous programmes and on dialogue with the community concerning their present needs.



2022 KMAD achievements and challenges

Overview of the achievements and challenges in 2022, the first year in KMAD's latest three-year strategic plan (2022-2024).

KMAD's four strategic pillars

Livelihoods and economic development

STRATEGIC GOAL

Fostering the development of local businesses as well as the transfer of skills to key local industries, such as farming.

Healthcare development

- Reporting on CA previously overstated number of families involved
- Farming yields from CA plots were down due to impact of Storm Ana

Educational development

Support of all educational initiatives, including the development of infrastructure, support of vocational training and sponsored scholarships.

Water and sanitation

Improving and expanding existing water supply systems, establishing integrated water management systems and promoting improved hygiene and sanitation practices.

ACHIEVEMENTS

- | | | | |
|--|---|---|---|
| <ul style="list-style-type: none"> • 23 new businesses funded with interest-free loans • \$660,000 revenues generated from KMAD- sponsored micro-businesses (2021: \$670,000) • Increased economic diversity in type of micro-business supported: bakery, tailors, laundrette etc. • 341 people employed via micro-businesses (2021: 376 people) • 500 farmers using Conservation Agriculture (CA) techniques | <ul style="list-style-type: none"> • Extensive repairs on damage inflicted by Storm Ana on Mititicoma health centre carried out and support provided to ensure services were not interrupted • Over 2,300 community health awareness sessions run • Mititicoma health clinic laboratory equipped and functional. Only lab within a 70 km radius • Quarterly mobile clinics for vulnerable people (VP) continued, 70 VP attended consultations • Five nurses' salaries were sponsored | <ul style="list-style-type: none"> • The Topuito Technical College (TTC), is now in its fourth year of operation, with a total of 244 students enrolled, 34% of whom were female • Construction of teacher and student accommodation blocks at TTC underway • Facilidade teacher capacity building programme has increased pupil numeracy rates improved from 30% to 47% and literacy rates from 7% to 34% | <ul style="list-style-type: none"> • Implementation partner for WASH project identified • Water treatment started as a pilot in one village • Water supply systems in Tibane completed and Piliivila and Nathaca under construction • Two new boreholes being drilled in Epuri • Third-party water management system secured for Piliivila |
|--|---|---|---|

CHALLENGES

- | | | | |
|--|--|---|---|
| <ul style="list-style-type: none"> • Reporting on CA previously overstated number of families involved • Farming yields from CA plots were down due to impact of Storm Ana | <ul style="list-style-type: none"> • Storm Ana damaged Mititicoma health centre | <ul style="list-style-type: none"> • Pupils two years behind as a result of the COVID-19 pandemic • Teachers' absenteeism post COVID-19 | <ul style="list-style-type: none"> • Lack of latrines and open defecation leading to ground water sources infected with coliforms • Village and government capacity not sufficient to address poor sanitation |
|--|--|---|---|

Storm Ana and KMAD's response

In early 2022, Larde and Moma districts were hit by tropical storm Ana, which caused extensive damage to infrastructure such as houses, four schools and the Mititicoma health centre, including the maternity, pharmacy, consultations block, paediatrics unit and health technicians' accommodation. KMAD immediately provided funds to respond to the emergency and repaired

damage. While repairs were underway, KMAD provided the Mititicoma health centre with gazebos, tables and chairs and other basic equipment so that medical appointments could resume. The Larde District Director of Health, Mr. Sandulane, recognised the great support from KMAD: "The Health department would like to thank KMAD for its responsiveness and support."

THRIVING COMMUNITIES CONTINUED

Livelihoods and economic development

KMAD is committed to creating employment opportunities for local people that deliver sustainable economic growth while not harming the environment. To work towards this goal, KMAD provides interest-free micro-loans, to establish businesses such as poultry farms, sewing projects, and community shops. Business owners are required to pay back their loans within a three-year period. KMAD also supports capacity development, for example transferring new skills and knowledge to local farmers to help them increase the agricultural productivity of their land and protect their crops against droughts and flooding.

Proposals for new business ideas are considered in the first quarter of every year by a forum of local leaders and KMAD representatives. Villages are provided with a document summarising all the proposals submitted. Both local leaders and KMAD have a criteria to evaluate projects, including that the project does not promote the sale of alcohol or cigarettes; whether the proponents are trustworthy people; whether they are from the village; whether the proponent already has a loan from government; and avoiding the same project being repeated in the same village. Proposals to be funded are chosen through a negotiation process between KMAD and the community.

In addition, KMAD also funds business projects that provide employment to Vulnerable People or can produce goods required by the mine, particularly local produce, such as eggs, fruit and vegetables. This allows host communities to maximise the economic opportunities associated with the mine and, in some situations, also reduces Kenmare's operating costs.

All new business owners who receive funding also receive training in business management and any technical skills they will need to implement their business. Continuous monitoring and support are provided to the business owners, even after the loan has been repaid.

In 2022, KMAD provided \$76,000 in interest-free loans to 23 new micro-businesses across the Namalope, Pilivili and Mpaco areas. The total number of income-generating projects now supported by KMAD is 89, generating revenues of over \$650,000 during the year, and providing employment to over 341 community members. New projects funded in 2022 included shops selling groceries, second-hand clothing, shoes, hardware, motorbike spares, fishing materials and domestic utensils, egg production, warehousing, mobile banking and a laundry.

Some small businesses also face challenges and not all are able to grow into sustainable projects, impacting their ability to repay their loans. Some, such as egg production projects and carpentry businesses faced increased competition from a growing number of similar businesses. Others are poorly managed and there is a lack of cohesion and collaboration among the community members running the project. To address this, KMAD shares both positive and negative lessons learned from all projects at village meetings.

Vulnerable People

KMAD uses the following definition of Vulnerable People to assist in stakeholder identification, "people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits."



KMAD Mualazi fish conservation project

Albertina João Amade, is a 30-year-old married resident of Mualazi village, and a member of the local Fisherman's Association. Most of the Mualazi residents make their living from fishing. The community has always faced difficulties in preserving their catches due to a lack of fridges and freezers, and energy to power them. Historically, fish was smoked or dried to preserve it. Sometimes in the rainy season the seafood did not dry properly, and as a result they either lost produce that had gone off, or customers who wanted fresh fish.

In 2021, KMAD loaned \$30,000 to construct a building to house refrigeration equipment so fish could be stored and processed, and solar panels to power the fridges and freezers. Produce is sold locally and in Nampula.

With this project, Albertina stores around 125kg of fish per month in the high season generating an income of around \$350 per month and around 35kg per month in low season earning around \$100 per month. With the profits from the fish, Albertina has been able to improve her family's diet, housing conditions and pay for school supplies for her three cousins and brother-in-law. Albertina is now investing in building a house using conventional materials.



KMAD Topuito native seeds project

Machado Selemán Muhante, is a 28-year-old married man originally from Moma, 40 km south of Pívilí. Before moving to the area, Machado undertook professional training as an Agricultural Extensionist at the Ribaué Agrarian Institute. Unable to find a job, Machado came to Topuito looking for opportunities, and he got a six-month internship at Kenmare, where he learned various new skills.

Following the internship, Machado applied for a KMAD loan to produce seedlings. He recruited 11 young community members to form a co-operative. They received training from Kenmare's Rehabilitation department, assisted by the Institute of Agrarian Research (IIAM) and training in business management. In 2020, they received a \$1,000 loan to pay for the construction of the greenhouse and basic materials.

After a challenging and uncertain start, Machado and his co-operative succeeded in producing 2,100 plants, which they sold to Kenmare for rehabilitation of the post-mined land for \$2,500. The Topuito youth nursery delivers on average 4,000-6,000 seedlings/month in high season (January-June) yielding \$7,000 per month and in the low season 1,000-2,000 seedlings per month corresponding to \$2,300 per month.

Having fully repaid the initial loan, Machado has built two houses with modern materials, bought two motorcycles, enrolled his wife in the Polytechnic Institute of Larde and enrolled himself in the Catholic University of Mozambique to study Environmental Management.



THRIVING COMMUNITIES CONTINUED

Local procurement

In addition to supporting micro-businesses, Kenmare works to increase the proportions of goods and services it procures from Mozambican and provincial businesses.

Kenmare has over 900 registered suppliers, 48% of which are Mozambique-based and 52% are international. The number of Mozambican registered suppliers grew by 18% mainly by using a dedicated self-registration portal. Our ESG Scorecard includes a KPI to target increasing the value of operating expenditure with Mozambican suppliers. Operating expenditure, unlike capital expenditure, is largely repeatable spend year on year. Our target in 2022 was to increase operating expenditure by 6% relative to 2021. We exceeded this target, growing spend by 12% in 2022 to \$116 million (2021: \$103 million). A second KPI targets growing the number of new contracts we have with local businesses. Our target in 2022 was to sign five new contracts. Again, this target was exceeded by signing 11 new contracts for engineering services, civil construction, maintenance services, consultancy, and supplier development. Spend with Mozambican fuel and electricity providers also increased by 14% from \$68.4 million in 2021 to \$76.5 million in 2022.

Operating expenditure with suppliers from Nampula province, where the mine is located, increased by 57% from \$19.5 million in 2021 to \$30.5 million in 2022.

Trucking and general materials supply were key areas of increased spend.

Kenmare is committed to building local supplier capacity and creating fairer competition through training courses and sponsorship. Additionally, Kenmare unbundles larger contracts to enable more opportunities for smaller companies to compete. We also require international suppliers to seek local procurement opportunities as part of their delivery strategy.

Kenmare, in the past, has run Supplier Forums to help new suppliers understand our tender process, share future tendering opportunities, financing options, technical advice, and promote channels and platforms to access requests for goods and services. In 2022, two focus group sessions were run with local suppliers to discuss how we could stimulate more local procurement opportunities. Supplier Forums will resume in 2023. Kenmare is working to build supplier capacity, so we can be assured suppliers are aligned to our sustainability standards and practices.

Industrial Free Zone

To enable more Mozambican businesses to provide goods and services to the mine, Kenmare established a partnership with Moz Parks, a Public Private Partnership between the Mozambican Government Agency for Investment & Export Promotion (APIEX) and Swiss-Mozambican investors. Moz Parks is an investor in industrial parks and special economic zones in Mozambique.

In 2022, Moz Parks completed Phase 1 of its industrial park, which has a 215 ha land-holding in a formerly mined area of Namalope. Moz Parks is applying for Industrial Free Zone status for the Topuito Industrial Park (TIP), which allows for exemption from corporate income tax for the first 10 years of operations, with the tapering of exemptions thereafter, providing additional incentives for local suppliers to base themselves there. The TIP builds on a successful industrial park in Matola outside of Maputo, which Moz Parks has operated for 23 years and is home to 50 industrial businesses, in partnership with the Mozal Aluminium Smelter. The TIP is Moz Parks' first expansion outside of Maputo. It has contracts to provide warehousing and workshop and accommodation facilities to support Kenmare's suppliers and other agro businesses. It has also secured \$5 million in funding from the World Bank to build an SME-incubator, which will begin construction in 2023 and will provide infrastructure and services to micro-businesses looking to establish themselves in the locality.



Healthcare development

KMAD believes that helping people to access healthcare is essential to sustainable development. As a result, KMAD funds healthcare infrastructure, such as building medical centres and pharmacies, donating ambulances, and investing in capacity development of medical staff and community health awareness initiatives.

In 2021, KMAD handed over to government and communities a fully completed and equipped health centre in Pilivilili. 2022 was its first full year of operation. The centre includes a maternity facility, a main treatment unit, two houses for medical staff, and water and solar power supply for each building. In 2022 over 35,000 people attended the clinic's outpatient department, 59% of whom were women.

The Mititicoma community health centre, built and equipped by KMAD in 2013, was extended in 2022 to include a new, fully equipped laboratory. This laboratory is the only one within a radius of 72 kms and will be able to store bloods needed for emergency treatment, take blood tests and store medicines. The Mititicoma health centre was attended by just over 21,000 people in 2022.

Planning also got underway for the Larde Hospital, which is projected to cost approximately \$5-6 million and will be completed by 2028. KMAD is seeking funding to equip the hospital with key equipment on its completion and to help fund for the first two year period the salaries of doctors and nursing staff providing medical care.

Malaria continued to be the primary reason for people seeking medical care. There was a minor reduction in the number of people diagnosed with malaria compared with 2021. Fever and diarrhoea were the second most common ailments people sought medical attention for, with just almost 7,500 adults and children seeking treatment for fever and over 500 patients seeking treatment for diarrhoea. There were no diagnoses of cholera but 14 of tuberculosis in 2022.

In 2021, Kenmare funded a mobile health clinic for Vulnerable People, who have challenges in getting to the community health centres, either because they are elderly and fragile, disabled or women from single-parent households. In 2022, these continued with quarterly mobile check-up clinics being held in collaboration with Health Department. On average, 70 patients attended the clinic each quarter.

Mother and child healthcare services

The mother and child healthcare services department provided pre-natal consultations, family support, births, and midwife educational sessions in both the clinics and the villages. The number of women giving birth in the clinic was 1,597, an increase in 2022 (2021: 717) due to births being measured at the Pilivilili health clinic for the first time. The number of home births increased to seven in 2022, compared to five in 2021.

Community health awareness

The community health programme promotes awareness of health issues, hygiene, and sanitation, primarily through group discussions. Across Topuito and Pilivilili, community volunteers conducted 328 (2021: 167) sessions in the health clinic and 2,333 (2021: 1,537) sessions in the villages. The main topics covered related to reducing the risk of diarrhoea, contracting HIV and AIDS, and malaria prevention. Other topics covered included tuberculosis, maternal health, nutrition, and family planning.

Staff professional development and funding

KMAD financed 27 nurses on nursing courses in 2019. Of these, 17 were employed by the district health authorities. In an MoU with the government, KMAD agreed to support the salaries of these nurses until October 2022. Ten nurses' salaries were then transferred to the government's payroll at year-end, and the remaining salaries will continue to be supported until the end of Q1 2023.

Educational development

KMAD believes that ensuring all children obtain a good quality education is the foundation for sustainable development. Over the last 18 years, KMAD has funded the building of classrooms and other educational infrastructure and continues to do so where necessary. However, the shift in focus is now towards investing in quality education by supporting capacity development of teachers, and sponsors scholarships for further education that would not otherwise be accessible within the local area.

School infrastructure

New schools were constructed in Epuire, Pilivilili, Muolone and Mputine. Construction of a new school in Cotocuane began, with completion due in 2023. To accommodate growing numbers of students, an additional new school block in Mititicoma was completed and equipped with over 100 school desks and benches. The schools in the villages of Mititicoma, Topuito and Naholoco lost their roofs during storm Ana. KMAD repaired these in line with government regulated designs that can withstand winds of up to 210km/hr, making them more resilient to future storms and cyclones. In addition, KMAD began construction of accommodation blocks for male students and teachers for the KMAD-sponsored Topuito Technical College. Accommodation for female students will follow.

In 2022, KMAD provided school materials to almost 6,000 pupils and 78 teachers in the Namalope area, a 12% increase compared to 2021.

THRIVING COMMUNITIES CONTINUED

Scholarships

In 2022, KMAD supported a total of 250 scholarships, 135 existing secondary school scholarships 72 new scholarships, 28 for vulnerable people and 15 scholarships for university degree courses. Of these scholars, 36% were female. Of the 143 scholarship students at the Topuito Secondary School, there was a 93% pass rate and of the 42 scholarship students at the Moma Secondary School, there was an 95% pass rate.

Educational development: Building teacher capacity

In 2022, Kenmare restarted a programme interrupted by COVID-19, to build the teacher capacity to help improve schoolchildrens' literacy and numeracy rates. The specialist NGO Facilidade was engaged to deliver this programme, which involves storytelling and activity-based game playing as a more effective way of learning to read and write. We are grateful to the Dutch development bank FMO, who co-funded this two-year programme. Facilidade assessed 760 Grade 3 students participating in the programme in April and then reassessed them at the end of the year to establish the effectiveness of the techniques. Literacy rates, as measured by children who can read, write and structure basic sentences improved from 7% to 34%. Numeracy rates, as measured by children being able to complete simple addition, subtraction, and multiplication exercises, improved from 30% to 47%. This intervention is leading to some impressive results and is going some way to making up the significant deficit caused by a hiatus in education for two years during COVID-19.



Water and sanitation

Access to clean water has been a major focus of KMAD's programmes since its inception. Over the last 18 years KMAD has drilled 30 boreholes, supplying clean water to approximately 45,000 people. Previously, local women and children had to travel long distances to collect water from local rivers. Water and sanitation became a new strategic pillar of the 2022-2024 KMAD Strategic Plan so that we could put more focus and attention on it.

Sanitation is another important focus and KMAD has been working with the Mine's host communities and local authorities to overcome sanitation-related health issues during the last few years. One issue is the quality of water from some boreholes, which tests have shown to contain levels of nitrates, faecal coliforms, and iron levels above the World Health Organization (WHO) recommended limits for human consumption. This is connected to the lack of latrines and the sanitation habits of local communities, a situation compounded by the increased social influx over the last 10 years, and lack of capacity among the local authorities to manage the water resources.

KMAD is working as a catalyst to help solve these issues and find sustainable solutions. A key area of focus is growing the capacity of the local community Water Committees, so that they can manage the maintenance of the water infrastructure and charge community members for water consumption to finance its maintenance. KMAD also identified a government-approved water treatment, Certeza. It is now working with the local authorities to trial Certeza as a water treatment in Mulimuni. This will allow communities to drink the water without boiling it and will help minimise instances of diarrhoea and cholera. If the trial is successful, KMAD will support the roll out of Certeza to all communities within the mining concession.

An extension to the water supply system in Tebane began in 2021 and was completed and delivered to the local community and district authorities in 2022.

In 2021, KMAD engaged SNV to review the water and sanitation infrastructure, water quality, sanitation practices and water management by district authorities and communities. KMAD has identified AMASI, a Nampula-based NGO with over 10 years' experience in implementing water and sanitation programmes in Mozambique to support the implementation of SNV's recommendations in 2023.



THRIVING COMMUNITIES CONTINUED

Land use

Kenmare conducts a comprehensive consultation process to involve our host communities and the government in plans for our operations. This process aims to identify and address any potential impacts. Before any new development project begins, an Environmental Social Impact Assessment (ESIA) is undertaken by a third-party consultant. The ESIA guides our work and provides us with an understanding of the communities affected by and interested in our operations and defines ways to manage and address the impacts and opportunities associated with our mining programmes.

Where displacement of homes and machambas (farmsteads) is required by the mine plans, Kenmare conducts extensive consultation with local authorities and affected communities in accordance with Mozambique's resettlement legislation and the IFC Performance Standard 5 guideline. This aims to ensure that resettlement activities are implemented with the appropriate disclosure of information, consultation and informed participation of those affected. It also mandates fair and timely compensation for loss of assets and aims to improve the living conditions among people being physically displaced, by providing adequate housing and security of farming tenure at resettlement sites.

The Resettlement Action Plan (RAP) defines resettlement considerations as well as Kenmare's commitments, which typically include livelihood restoration, construction of new houses and associated community infrastructure,

relocation of graves where required, compensation for temporary loss of farmland, provision of alternative farmland, and investments in community development, agriculture, and enterprise initiatives. Once the RAP is approved by the community and local authorities, the mine plan can progress.

In 2022, the key focus on engagement was for the Namalope West area, an extension of the existing Namalope mine plan that will facilitate the transfer of WCP A to Nataka, a new ore zone that Kenmare will begin mining in 2025. The Namalope West area required an addendum to the original ESIA for Namalope and a new RAP. Kenmare completed the relocation of 83 community houses for the resettlement of project-affected families in the Isoa village. Like the resettlement houses in Pilivili, the Namalope West houses followed government specifications and were built with the bathroom and kitchen outside the main accommodation building, to observe cultural traditions.

During the year, there were several grievances relating to crop compensation, which was deemed too low by some local community members. Kenmare uses government approved prices as a guide for crop compensation. To provide a level of compensation that reflects inflation over the last two years, Kenmare is working with the government to approve its updated price table, (last updated in 2019) and in the meantime has been paying an interim additional amount to account for inflation.



Community relationships

We engage with our host communities on a continuous basis, so that we can fully understand the impacts of Kenmare's mining activities on the lives of the people living nearby. This helps us to ensure community priorities are at the centre of operational decisions and guides how we address their concerns and aspirations.

We conduct our engagement activities in accordance with the Company's community engagement and investment policy and associated procedures. We have a participatory and partnership-based approach to engagement and 20% of Kenmare's dedicated community relations team are from the locality. All six members of the team speak both the local language of Makhuwa and the national language of Mozambique, Portuguese. The community relations team employs various modes of communication including bi-monthly community meetings, community notice boards, theatre performances, cinema evenings, radio programmes, and KMAD quarterly newsletters to help both convey our message in an engaging and educational way and ensure the communities' views are heard.

We ensure every demographic of the community is represented in our stakeholder engagement. In addition to elders and village chiefs, special consideration is given to engaging with women's groups, young people, and vulnerable people.

Local Working Groups (LWG) are the key channel of communication between Kenmare, the government, and our host communities. Six LWGs across our 15 project-affected communities meet on a bi-monthly basis and comprise the District Administrator, government representatives, Kenmare management and other local representatives. The LWGs play a key role in:

- monitoring the implementation of the Resettlement Action Plan (RAP) which defines resettlement considerations and Kenmare's commitments;
- identifying new issues or areas of community concern and suggesting mitigation or remediation measures;
- facilitating land compensation in areas under its control, both in the Mine and host community resettlement area;
- holding regular meetings with host communities to explain the process of compensation and resettlement, and updating on progress; and
- supporting grievance management.

In addition to the LWGs, a natural resource committee in Namalope takes part in all formal community meetings and is the main point of contact in relation to land rehabilitation. Separate water and sanitation committees manage those specific issues.

Kenmare's community team engages with all stakeholders on the RAP process; however, the majority of RAP mitigation activities are implemented by KMAD.

Girls' soccer team

KMAD sponsored male and female soccer tournaments in 2022. The local tournament ran from June to December with a total of 26 teams, 12 of which were female teams. The winning male and female 2022 teams were from Naholoco village. Pictured, is the 2022 female champion Naholoco team.





A HEALTHY NATURAL ENVIRONMENT

A HEALTHY NATURAL ENVIRONMENT

Approximately, two thirds of Kenmare’s 34,000 ha mining concession falls within the Primeiras and Segundas Environmental Protected area (EPA) and the region is home to several endemic International Union for Conservation of Nature (IUCN) endangered species. Protection and restoration of biodiversity is therefore a key priority. Our mining process does not use any chemicals, and therefore we are fortunate to have a low environmental footprint relative to many mining operations. We progressively rehabilitate the land as we mine, which communities depend upon for their livelihoods. While Nampula province is not a high water-stress region, water usage is critical to our operations and for sustaining livelihoods. All these factors highlight the importance for Kenmare take an environmentally responsible approach to the management of the natural resources our mining process depends upon.

Achievements

- Reducing diesel related emissions from the Mineral Separation Plant through efficiency measures
- Commissioning of the Rotary Uninterruptable Power Supply, negating constant summertime use of diesel generators
- Water efficiency efforts delivering a high level of water reuse
- Implementation of rehabilitation trials
- Mozambican operations are certified by the National Occupational Safety Association (NOSA) standard, established by a safety and environmental training and auditing organisation

Challenges

- Limited progress made on scaling up of agro-forestry trials in 2022
- Ongoing degradation of Icuria forest and coastal dunes by communities
- Delays to landfill site repairs

Standards and guidelines

- Mozambican legislation for environmental management
- New: Mozambican Biodiversity Offset Decree (2022)
- Global Industry Standard for Tailings Management (GISTM)
- IFC (2012) Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- IFC (2012) Performance Standard 3: Resource Efficiency and Pollution Prevention
- IFC (2012) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- National Occupational Safety Association (NOSA) Standard
- Kenmare’s environmental policy and climate policy

Material topics

- Energy use
- Waste
- Climate
- Biodiversity
- Radiation
- Tailings storage
- Rehabilitation
- Water stewardship

Stakeholders

- Employees and unions
- Communities
- Government and regulators
- Shareholders
- Suppliers, contractors and customers

Sustainable Development Goals



6%

REDUCTION IN SCOPE 1 EMISSIONS

191ha

LAND REHABILITATED, EXCEEDING TARGET

90%

WATER REUSE

72,577

INDIGENOUS SAPLINGS PLANTED

A HEALTHY NATURAL ENVIRONMENT CONTINUED

General environmental management overview

Our Sustainability Strategy (see pages 16 and 17), Group environment and climate policies and environment management systems help us to uphold our commitments and responsibly manage our impacts on climate change, water, waste, biodiversity, and air and soil quality. Our management systems and regular audits assist Kenmare in complying with relevant legislation and upholding our reputation as an environmentally responsible Company.

Our ambition

We aim to go beyond regulatory requirements and drive value for our business and stakeholders. We aim to demonstrate to our employees, communities, investors and other stakeholders that taking care of our environment is part of our culture, in line with our principle "We care".

Our approach

Our objectives, planning and KPIs all consider the precautionary principle, mitigation hierarchy, principles of pollution prevention, and compliance with legal and other voluntary obligations. An environmental management system (EMS) is in place for our Namalope and Pilibili licences, which sets out detailed processes for identifying environmental risks and mitigating the impacts of our activities.

Risk identification and management

Our approach to environmental risk management, which forms part of the Company's risk management and internal assurance plan, is based on a process of continual improvement in impact/aspects identification, instilling awareness into the organisational culture and enforcing adherence to control mechanisms.

Once identified and assessed, these impacts/aspects are aggregated and integrated into the Group risk register. Updates to the environmental risk assessments are conducted annually to re-evaluate existing and identify emerging climate change and other environmental risks. This includes the effectiveness of mitigating actions, resulting from process changes, significant incidents or disasters, or by instruction from regulatory bodies, amongst others.

The potential key environmental risks, which relate to our identification of material issues are:

- Insufficient supply of low-cost, low-carbon energy for our growing energy needs
- Incorrect behaviours or not following procedures, such as waste management practices, management of radiation sources, implementation of erosion controls and successful rehabilitation efforts
- Extreme weather events impacting operations and infrastructure, unmitigated
- Limited availability and commerciality of low-carbon technologies to displace diesel consumption
- Insufficient availability of water for operational usage, and real or perceived lack of water stewardship
- Biodiversity loss, in particular the IUCN Red List species, and compliance with the 2022 Mozambican Biodiversity Decree
- Communities not supporting the new rehabilitation strategy
- Geotechnical risks associated with tailings storage, and GISTM alignment
- Delaying the return of land to communities and compromising our social licence to operate

Environmental engagements

Kenmare has processes in place to engage with its stakeholders on environmental matters, including handling issues raised by local communities. Public consultations are legally mandated in Mozambique to obtain an environmental licence. These also make provision for direct communication with communities where their views and needs are included in management programmes. Engagement is focused on direct communication with the communities and/ or their representative leaders.

In 2022, we engaged district authorities and communities, on the following topics:

- ESIA for the development of the Nataka orebody
- Update to Environmental Licence
- Progress of rehabilitation plans
- Water abstraction from Lake Mavele and the Mualadi river

The Public Consultations for the Nataka ESIA highlighted dust complaints from the villages along the haul road. Kenmare has plans in place to address this as the development of the project progresses.

Environmental audits

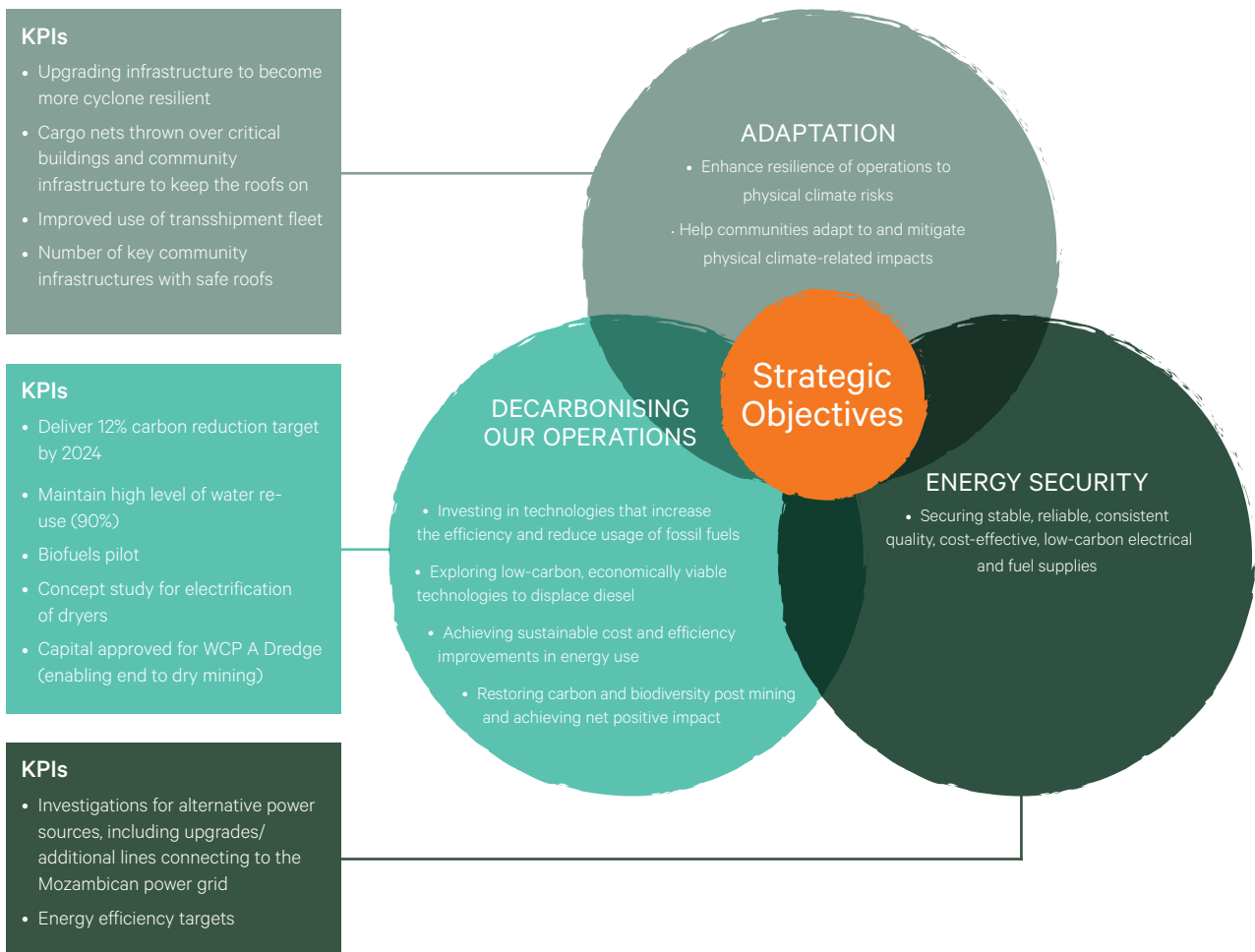
Kenmare was subject to external independent audits of our environmental performance in 2022, to review our compliance with the environmental management plans, biodiversity management plan and aquatic management plan. Additionally, Kenmare was subject to an assurance review of its Greenhouse Gas emissions and energy usage, engaged in a sustainability review of our operations commissioned on behalf of our lenders and engaged in the NOSA audit. None of the audits found significant non-conformances and all provided insights on key areas for continuous improvement.

Climate

In 2022, Kenmare updated its Climate & Energy Strategy, which sets out our three key strategic objectives. Each objective links to specific climate risks and opportunities, and has corresponding controls and mitigation plans to reduce the impact and likelihood of risks and maximise opportunities for the business, and KPIs and metrics to track performance.

In 2021, we set an ambition to become Net Zero (Scope 1 & 2) by 2040 and a short-term target of 12% emissions reduction by 2024. In 2023, we will continue to focus on firming up our confidence in our major medium term decarbonisation options.

Climate and energy strategy



A HEALTHY NATURAL ENVIRONMENT CONTINUED

Rotary Uninterruptible Power Supply

The Rotary Uninterruptible Power Supply (RUPS) project was successfully commissioned in 2022 and will negate the need to continuously use diesel generators during the stormy summer months to provide a stable supply of electricity. The diesel generators previously generated 12,000 tonnes of CO₂e to run for three months of the year – a cost to the business and emissions saving that will be fully realised from 2023 onwards. The RUPS cost \$20 million and is a Net Present Value positive project and will contribute to the Company's efforts to reduce carbon emissions, while securing reliable power for our operations. RUPS also stops the inefficiencies associated when the plant shuts down and starts up, by compensating for any power dips all year round.

In line with TCFD recommendations, we assessed the impact of physical and transition risks using different scenarios¹ and timeframes. We were most interested in testing the resilience of the business model in the context of a rapid decarbonisation scenario, and the physical risks to our operations in a "business-as-usual" scenario, leading to more extreme weather. We considered two time horizons: 2030 and 2050 but our evaluation of risk reflects a timeframe of short (<3 years), medium (3-7 years) and long term (>7 years), which relate to our operational and financial planning timeframes.

Our detailed 2021 climate change-related risk review was refreshed in 2022 and a summary of our conclusions can be found in the table below. It confirmed that cyclones remain the most significant physical risk with secondary physical risks from storm surges, flooding and extreme heat. The most significant transition risk remains investor pressure on Net Zero commitments and a lack of viable solutions to meet those commitments.

The transition to the low-carbon economy also presents opportunities to market our products to climate-conscious customers; reduce operational costs through increasing energy efficiency; and a low but growing demand for our titanium minerals products in low carbon technologies.

In 2021, Kenmare's management undertook a comprehensive review of climate risks and opportunities facing the organisation, which you can read about in detail in our 2021 Climate Strategy Report found at www.kenmareresources.com/sustainability.

Climate change risks and opportunities

Climate change-related risks	Timeframe			Scenario sensitivity	
	Short (1-2 yrs)	Medium (2-5 yrs)	Long (5-10 yrs)	Low carbon	Business as usual
Physical risks					
Cyclones	■			●●●	●●●●
Storm surges	■			●●●	●●●●
Flooding	■			●●	●●
Extreme Heat			■	●●	●●●
Transition risks					
Investor expectations on decarbonisation			■	●●●●	●●
Net impact of climate regulations (carbon pricing etc)			■	●●●●	●●
Climate-change related opportunities					
Energy transition positively impacting titanium demand			■	●●	●
Demand for lower carbon products			■	●●	●

KEY

High likelihood



Low likelihood

Anticipated onset of risk or opportunity.



Estimated full impact of risk or opportunity



¹ For Physical risks, Intergovernmental Panel on Climate Change (IPCC)'s RCP 8.5 'business-as-usual' (3.2-5.4°C by 2100) and RCP 4.5: a low carbon scenario (1.7-3.2°C by 2100) were used.

For Transition risks, the International Energy Agency's World Energy Outlook: Sustainable Development Scenario (SDS) and Stated Policies Scenario (STEPS) were used.

GHG emissions

We report our GHG emissions in accordance with the GHG Protocol, and the requirements of ISO 14064-1:2018. Emissions are categorised under Scopes 1, 2 and 3 (GHG Protocol) and Categories 1-4 of direct and indirect emissions (ISO 14064:1-2018). VerifyCO₂ has been engaged to provide limited assurance on our GHG data in accordance with the abovementioned standards, and energy related data in accordance with ISO 14064-3:2019.

Kenmare's direct GHG emissions are from diesel consumption combusted in our Mineral Separation Plant, and in Heavy Mobile Equipment, Transshipment Vessels, Light Vehicles and other equipment users. Through a wheeling supply agreement with Electricidade de Moçambique (EdM), we source hydroelectric power from Hidroelectrica de Cahora Bassa (HCB).

Kenmare's direct emissions for 2022 were 66,519 tCO₂e, a 6% decrease (2021: 70,445 tCO₂e) largely due to increased efficiencies at the Mineral Separation Plant following considerable maintenance and servicing in 2022. This was against an operating context of a 2% reduction in finished products, but a 2% increase in excavated ore.

Kenmare's imported electricity, according to market-based calculations were zero tCO₂e. According to a location-based calculation imported electricity was 16,337 tCO₂e.

Diesel consumption was 4% lower in 2022 at 23 million litres (2021: 24 million litres of diesel). Carbon intensity, at 0.055 tCO₂e per tonne of mined product reduced by 3%, reflecting process efficiencies mentioned above.

GHG emissions

Emissions source	2020	2021*	2022**
Direct / Scope 1 emissions (tonnes of CO ₂ e)	59,521	70,445	66,519
Indirect / Scope 2 emissions – location-based (tonnes of CO ₂ e)	12,852	14,504	16,337
Indirect / Scope 2 emissions – market-based (tonnes of CO ₂ e)	0	0	0
Indirect (Category 3 & 4) / Scope 3 emissions			
• Upstream transportation and distribution	19,450	35,868	34,041
• Downstream transportation and distribution	41,722	79,953	66,644
• Employee commuting	1,076	2,110	2,035
• Business travel	319	117	1,008
• Purchased goods - third party fuel	14,326	6,066	6,828
• Purchased goods - cement	N/R	N/R	2,780
• Purchased goods - mobile equipment	N/R	N/R	1,865
• Waste disposal	10.5	12	18
Total indirect (Category 3 and 4) Scope 3 emissions	76,893	124,226	115,218

* Baseline year

** Category 2 / Scope 2 (Location based) added and indirect business travel and waste restated

The most significant category of indirect emissions is from the processing of our products downstream.

The emissions from this category are estimated to be 2.6 million tCO₂e. However, because Kenmare has no control or visibility over these emissions, this category of emissions is currently excluded. In 2022, our (reported) indirect emissions, excluding the processing of products downstream were 115,218 tCO₂e, which compared to 124,126 tCO₂e in 2021. There was a reduction in all categories of indirect emissions except for business travel which increased significantly post Covid-19. It should be noted that the 2022 GHG inventory was extended to include some of our purchased goods. Further information on our GHG Emissions can be found in the Sustainability Fact Book.

Improving the resilience of our communities to climate change

Kenmare helps communities increase their resilience to extreme weather events in two ways. First, if community infrastructure is damaged, Kenmare helps repair this in line with government guidelines requiring structures to be resilient to a Category 4 cyclone. As a result, most communities have a place to take shelter and stay safe during a cyclone event. Second, KMAD sponsors a Conservation Agriculture (CA) programme, which 500 community farmers are signed up to. CA teaches farmers techniques on how to improve their crop yields and better protect them from drought, flooding and disease.

A HEALTHY NATURAL ENVIRONMENT

Energy use

Kenmare invested significant capital expenditure in 2004-2007 to run overhead power cables 170 km from Moma to Nampula, where the nearest substation is located, enabling us to access hydroelectric power from Cahora Bassa Dam (CBD) supplied by Electricidade de Moçambique (EdM) in Mozambique. This clean energy source represented over 90% of Kenmare's overall electrical energy consumption in 2022 and 50% of our total energy consumption.

In the coming years, our operations will require more power. This is due to WCP A moving to the Nataka

orebody, which is both further away from the MSP, requiring more pumping of HMC and has higher slimes content, requiring more water in the process. This increase in power will lead us to reach the line capacity limits of the EdM power source in the coming years and we will need to plan for supplementary power delivery.

The Rotary Uninterruptible Power Supply (RUPS) project was successfully commissioned in 2022 and will negate the need to use diesel generators during the stormy summer months to provide a stable supply of electricity. However, our increasing power requirements may still necessitate diesel generators as a temporary solution.

Energy Source (MWh)	2021	2022
Total diesel consumption (direct)	242,775	231,467
Petrol	489	374
LPG	489	530
Total non-renewable energy	243,753	232,372
EdM (grid) energy	207,719	233,923
Dublin (grid) energy	17	27
Total renewable energy	207,736	233,950
Total energy	451,489	466,322
% of renewable energy	46%	50%

Water stewardship

We recognise water is a vital shared resource. Effective water stewardship involves using water in a socially equitable, environmentally sustainable, and economically beneficial way. It requires collaborative action through governance and corporate transparency with the disclosure of water use and performance.

Kenmare's water stewardship strategy guides our operations to enable management of operational water-related risks, continuous improvement of water use and reuse, access to and use of local water sources for our host communities, and that all Kenmare employees recognise water as a valuable resource.

Kenmare's water stewardship strategy continues to focus on five key areas of activity:

- 1. Watershed management** – to secure water supply for current and future operations while protecting and enhancing other water uses. This is implemented through a site-wide water balance, environmental monitoring and surface water and groundwater modelling to measure the current and projected operational water demand and to characterise the surface water and ground water systems
- 2. Impact mitigation** – to proactively mitigate environmental and social impacts associated with the abstraction, use and discharge of water and to enhance water use opportunities
- 3. Operational performance** – the site-wide water balance is used to manage water as an asset, through improved performance and compliance with all commitments

- 4. External engagement** – to collaborate and engage externally on water policy, management, and challenges in Mozambique to create shared value
- 5. Internal collaboration** – to support coordination across all water management areas of the business.

Kenmare's operations at Namalope, Namalope West and Nataka fall within the Larde River Catchment which extends 77 km inland from the coastline. Sub-catchments potentially affected by the mining operations cover 178 km² or 14% of the total Larde Catchment. The area is largely planted with cassava, and occasionally rice, banana, sugarcane and vegetable crops are planted in the wetlands. Some areas remain relatively undisturbed and are wooded with a diverse tree and shrub species. Although community clearing of vegetation for land cultivation has impacted some of the wetland systems, there are still some areas that support considerable biodiversity. Wetlands adjacent to groundwater discharge zones also provide ecosystem services to the local communities in the area, particularly in terms of water supply for domestic use (washing, drinking and fishing), and for subsistence agriculture.

The Namalope borefield and the man-made Lake Mavele cover 53 km² (4%) of the Larde River Catchment towards the coast where the tidal influence has created a saline wedge within the river course. This area is dominated by mining rehabilitation and subsistence agriculture, except for the Icuria Forest (see Biodiversity Section on page 52). Communities use Lake Mavele for some subsistence fishing.

WCP B is mining the Pilivili deposit which falls within the Mualadi River Catchment. Environmental surveys have identified wetlands and peat accumulations as part of the baseline surveys. The Mualadi River is used for bathing, swimming and washing of clothes with some artisanal fishing taking place from January to March or during bad weather conditions. Water abstraction is currently authorised from the Mualadi River for mine water makeup within a framework of adaptive management. Flood protection berms, river diversions and finishing ponds are used within the mine plan to minimise the risk of flooding or unplanned release of surface water to the environment.

Water is essential to our mining operations. It is primarily used in the mining and processing of Heavy Mineral Concentrate (HMC), in tailings deposition, dust suppression, and drinking and sanitation supplies. In our mining operations, surface water and boreholes supply fresh water to artificial ponds where dredges use water to cut into the ore at the pond's base, causing the mineralised sand to slump into the pond where it is pumped into a WCP.

Neither the mining nor processing operations at Moma use toxic chemicals. Therefore, operational water losses through seepage, which return to the underlying aquifers and adjacent surface water systems as baseflow, do not affect the ambient groundwater and surface water quality. Mining water released into surface water systems occurs via "finishing ponds" to settle fine suspended solids prior to the water being released. Stormwater management at the MSP still requires attention, with some contact water being released directly into the wetlands during heavy rains. Discharge from the sewage sanitation plants is monitored, and we have found minor traces of mercury and manganese.

Ongoing investigations and further testing is being done to establish the sources of these constituents.

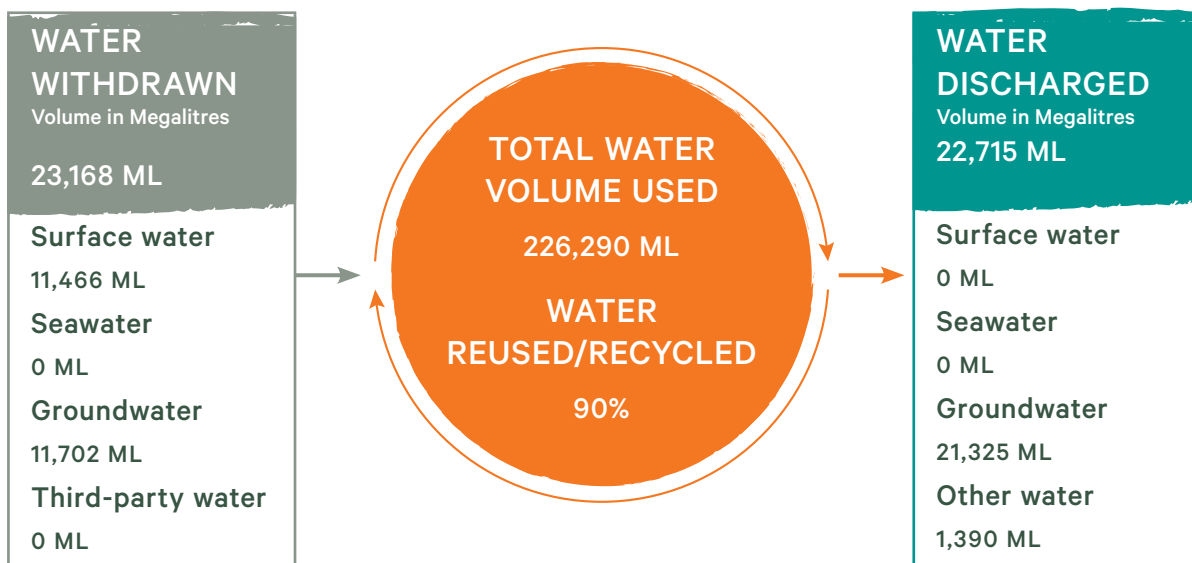
The Mine has multiple sources of water supply. The main source of water supply is the Namalope Borefield whilst the secondary sources include the Mualadi River, Lake Mavele, the groundwater fed WCPB finishing pond and the Habelo River.

Water flows from the Borefield and Lake Mavele to the Raw Water Dam where it is stored until it is pumped to WCP A, WCP B, WCP C and MSP, as required. The Mualadi River offers a direct water supply to the WCP B water dam also known as "Float-off pond" during the wet season, circumventing the main Raw Water Dam that is located at Namalope, about 20 km away.

Surface water, made up of rainfall, rivers and ponds represents 49% of the raw water makeup, with groundwater making up the remaining 51%. 90% of the total volume of water used (226,290 ML) is recycled or reused from the mining pond within the wet plants and dredgers. MSP rejects water is also recycled within WCP A and WCP C to maintain mining pond levels.

In 2022, our efficiency rate was 0.58 m³ water withdrawn per tonne of excavated ore, a 41% reduced efficiency compared to 2021 (0.41 m³ water withdrawn/tonne of ore). This reduced efficiency is attributed to additional slimes management at WCP A and WCP C, an extended pond size at WCP B, offpath slimes deposition and increased use of tail stackers. Water abstraction for our Namalope and Pilivili operations was in line with our regulatory water withdrawal limits in 2022.

Water Performance



A HEALTHY NATURAL ENVIRONMENT CONTINUED

Water discharge occurs primarily as a groundwater seepage to the underlying aquifers at a volume of 21,325 ML. Evaporation is relatively minor at 1,390 ML.

Sewage treatment plants are in place across operational areas and discharged water quality is routinely monitored to facilitate water safety, compliance with our treated effluent discharge licence and OEMP and to minimise negative impacts. Separately, Kenmare, through KMAD, supports access to clean drinking water for our host communities, which you can read more about on page 39.

Water risk and opportunity management

Using the WRI Aqueduct™ tool, all the water extracted for the Moma Mine is in an area identified as low baseline water stress. Projections as far out as 2040 indicate a similar low water stress. Nevertheless, Kenmare is committed to responsible use and efficient management of water.

Kenmare has identified the greatest risks for water management as:

- Flooding as a result of cyclonic activity
- There is a greater risk of a water supply shortfall in a drought year (defined as having 760mm Mean Annual Precipitation), which is predicted to occur every five years
- Additional projected water demand associated with the management of increased slimes within the Namalope and Nataka orebodies and increased production with the upgrades of WCP A and WCP B.

Opportunities include:

- The use of high-pressure monitor guns on the dredgers to manage the mining face height, allowing the lowering of the mining pond level to minimise seepage losses
- The recovery of water from future infrastructure such as the planned Tailings Storage Facility
- Recovery of seepage within the Habelo Valley
- Improved recirculation of storm water at the MSP
- The increased abstraction from the Mualadi River from 15% to 20%, following an assessment by wetland specialists which have confirmed ecological flows will be maintained
- The expansion of the Namalope wellfield to increase the sustainable abstraction
- The remediation of Lake Mavele to improve the performance as a water source
- Optimization of the respective mine plans to minimise the mining pond and tailings seepage losses.

The Moma Mine's water management tools

Ongoing data monitoring of rainfall, stream flow measurements, groundwater levels and abstraction volumes are input into a site-wide water balance. The Sustainable Minerals Institute from The University of Queensland (UQ) is assisting with converting this model into a GoldSim water balance model that can be used to simulate water demand scenarios for the Kenmare operations. The UQ is also undertaking a review of the 2022 Water Accounting Framework (WAF) to identify any gaps that remain to achieve full compliance with the Minerals Council of Australia and ICMM reporting requirements.

Kenmare uses predictive surface water and groundwater modelling to proactively identify water-related impacts to both support ongoing access to water for operational use and to consider the impact of water use on communities and the ecology. These are discussed internally to optimise future water management scenarios and to mitigate any predicted impacts. Proposed solutions are then presented during the community meetings as part of the ESIA process for expansion projects. The results of the community engagement and water management proposals are then submitted to the relevant authorities during the ESIA.

Ongoing adaptive management of the water resources is used to adjust the water abstraction volumes from specific water sources or to adjust mitigation measures where required if any unforeseen water-related impacts are identified. Water-related impacts are also discussed in the ongoing community meetings and documented in regular reporting to the relevant authorities.

Water management targets

Kenmare's water management is underpinned by continuous improvement with respect to minimising the material water withdrawals, consumption, and discharges by optimising mining, processing and water reuse at all stages of the operation.

While we will continue to look for ways to use water more efficiently in our operations, reducing raw water consumption or increasing water reuse in the years to come will be challenging because of the higher slimes environments that we are mining in and the construction of valley crossing berms for WCP A in 2023. Discharges are likely to remain at current levels given the potential increase in seepage losses for 2023 especially within WCP A.

Rehabilitation

Kenmare is a temporary custodian of the land we mine and as a responsible land manager, we work to minimise our impact on the land, protect biodiversity and rehabilitate disturbed areas effectively and efficiently. We understand the importance of the land to local communities for subsistence farming and respect the biologically diverse characteristics of our local operating environment. Our Namalope and Pilivilil concessions total approximately 5,000 ha, however, we aim to always minimise open areas and prioritise progressive rehabilitation.

Kenmare's rehabilitation strategy aims to deliver sustainable land management practices that achieve our annual land rehabilitation targets, support improved food security, and enhance biodiversity management. Kenmare rehabilitates land disturbed by mining using a variety of techniques, including the planting of casuarinas, indigenous trees, leaving areas prepared for agriculture, rehabilitating wetlands and conducting agro-forestry trials. The planting of casuarinas, a nitrogen-fixing, fast-growing tree, well adapted to growing in sandy soils and used to rehabilitate dunal areas is used for an intermediary stage to rehabilitate sand dunes, where the spreading of topsoil is more challenging and the gradient of the land makes it undesirable to farm. Casuarinas create a layer of biomass and stabilise the ground. Indigenous trees can succeed the casuarinas when they are mature. Local authorities approve that the soil quality and planting of vegetation is

in line with the agreed plan, before land is handed back to communities. Our progressive rehabilitation involves a patchwork of alternative land uses, pre-agreed with local authorities and communities, including agricultural land, forestry, savannah and woodlands. We include the cost of rehabilitation in our cash operating costs as we see rehabilitating mined lands and returning them to our host communities as an intrinsic part of our mining process.

The Moma Mine has a long life of mineral resources; we set aside funds to cover closure costs, as required by law. Closure considerations form part of our ongoing planning, operational and engagement activities. Closure plans and associated costs are reviewed and updated annually.

In 2022, we rehabilitated 191 ha of land, exceeding our target of 174 ha. A further 93 ha of previously rehabilitated land was enhanced to help improve the overall quality of our previous efforts, totalling 284 ha of land rehabilitated. We planted 72,577 indigenous trees, to restore the biodiversity lost through the mining process. However, we have been challenged to date to get local communities to appreciate the importance of biodiversity and leave indigenous trees in the ground to grow. We intend to begin awareness and education campaigns to help communities understand the role of biodiversity in their lives and livelihoods in 2023. Additionally, over 82,955 casuarinas were planted.



A HEALTHY NATURAL ENVIRONMENT CONTINUED

Soil fertility trials

We continuously seek ways to improve the soil quality, and in 2022 conducted studies to test the effectiveness of various organic and chemical interventions. Kenmare carried out controlled trials, in partnership with a third-party expert. Five crops were planted: Cowpea, Bambara, Canavalia, Okra and Cassava. Different applications of biochar were made and fine clay sands we call “slimes” from the mining process were also used. Four of the five crops had increased yields when compared to the control treatment that had no amendments. Biochar increased the yield of cowpea by 90-540%.

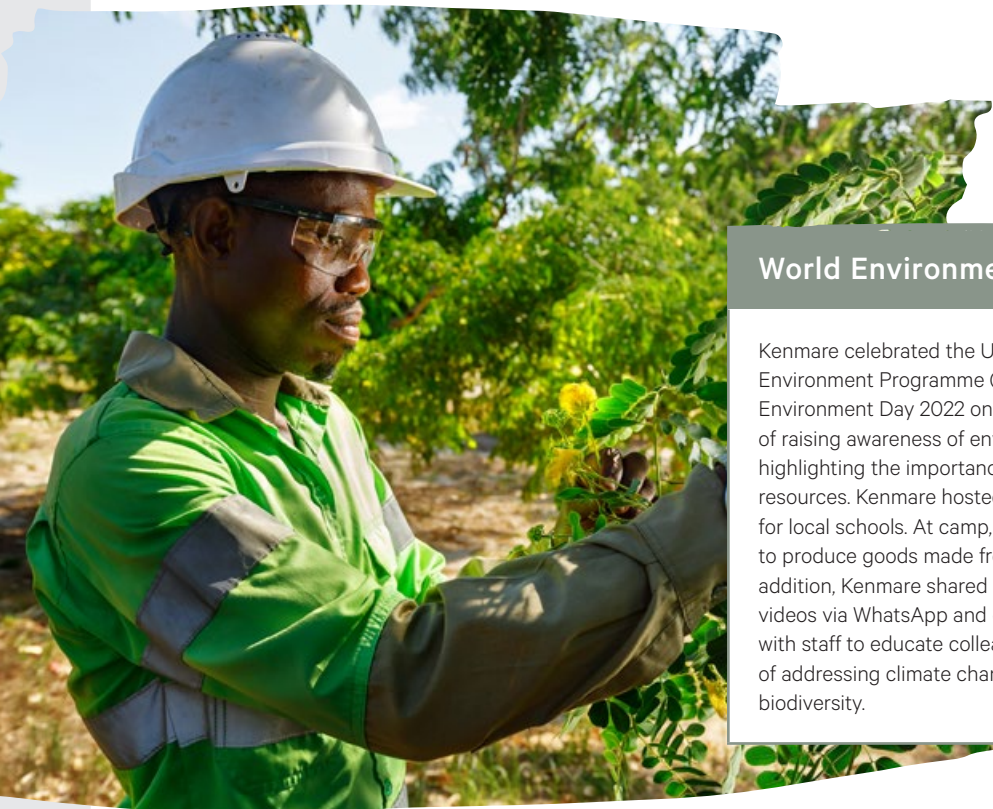
The use of slimes substrate in the soil profile had a positive effect on the soil water retention. Crop yields increased on average by close to 300%.

While biochar had positive effects, re-integrating slimes back into soil and sands in our rehabilitation process represents the best, low-cost and closed-loop approach to enhancing the success of our rehab efforts. Kenmare is investing in machinery in 2023 to allow us to broaden the impact on rehabilitated land.

Biodiversity

Globally, policy makers are beginning to respond to biodiversity loss. At the UN Biodiversity Summit COP15, held in Montreal at the end of 2022, 188 countries signed the Kunming-Montreal Global Biodiversity Framework (GBF), the equivalent to the Paris Climate Agreement for biodiversity. In Mozambique, the government introduced a new Biodiversity Decree, aiming to produce measurable conservation results for any development project categorised as A+ or A. The Decree introduces the requirement for projects to demonstrate No Net Loss or 15% Net Gain, depending on whether the project impacts critical habitats, ecosystems or endangered species. Following the mitigation hierarchy, the Decree requires projects to avoid, minimise, and restore the biodiversity impacted by the project, with offsets being used as a last resort.

In 2023, Kenmare will update its Biodiversity Management Plans (BMP) in response to the Decree for submission to the Ministry of Land and Environment (MITA) in 2024. The BMP will take into account the fact that Kenmare's key orebodies fall within the Primeiras and Segundas EPA and that it is also home to three International Union for Conservation of Nature (IUCN) endangered species, endemic to the region: *Brachystegia oblonga* and the endangered *Icuria dunensis* and *Scorodophloeus torrei*.



World Environment Day

Kenmare celebrated the United Nations Environment Programme (UNEP) World Environment Day 2022 on 5 June with the intention of raising awareness of environmental issues and highlighting the importance of conserving natural resources. Kenmare hosted a tree planting event for local schools. At camp, we demonstrated how to produce goods made from recycled materials. In addition, Kenmare shared a series of educational videos via WhatsApp and on screens in the canteen with staff to educate colleagues on the importance of addressing climate change and protecting biodiversity.

Biodiversity conservation

Within Kenmare's concession is a 220 ha forest called the "Icuria dunensis Wieringa Forest", which has been excluded from the mining area, but which is under threat from deforestation by the community. The species is under threat as it is heavily exploited to serve the community with stakes, firewood, and raw material to manufacture small fishing boats. Kenmare has sponsored, over the last two years, a Masters student from the Eduardo Mondlane University to study the deforestation rates of the forest. The final study concluded deforestation has recently accelerated and as much as 30% of the interior of the forest has gone in the last ten years. In the period 2010-2020 35 ha of the closed forest was lost and areas without vegetation increased by 70 ha.

Kenmare, together with the Primeiras and Segundas Archipelagos Protected Area Management Committee (APAIPS), is working to establish the Icuria forest as a Sanctuary, one of the conservation categories under the 2014 Conservation Law. In 2022, Kenmare and APAIPS jointly made a formal application to the National Conservation Agency (ANAC). Initial public consultations with community leaders have been conducted to determine whether they will support this effort. Key actions Kenmare and APAIPS have identified in order to move towards active conservation of the forest are:- finding alternative natural resources; creating alternative livelihoods; establishing patrolling and monitoring processes; delineating the original limits of the forest relative to the future mine path; and providing information and communication to communities to help everyone be aware of the conservation efforts underway.

In 2023, Kenmare will support APAIPS to lead further community consultations, begin implementing the action plan to conserve the forest and continue with the legal application of the forest as a Sanctuary.

Pilivilil wetlands restoration

The Pilivilil orebody sits among coastal dunes and wetlands. The IUCN categorises the Pilivilil reserve as an EPA which allows for the "sustainable use of natural resources", meaning meeting the needs of the human population is as important as managing the environment. Therefore, this reserve is not a classic protected area such as a national park.

The Pilivilil Biodiversity Management Plan (BMP) and Aquatic Ecosystem Management Plan (AEMP) detail measures to minimise impacts to the biodiversity and in particular its wetland and estuary features, with the goal of achieving No Net Loss. Our Biodiversity Terrestrial Monitoring Report, which Kenmare commissions third-party experts to research and compile, quantifies the extent of any loss of natural habitat due to mine infrastructure. This allows for appropriate biodiversity offsets to be calculated, if required. No alien plant species have been recorded within the affected Pilivilil areas.

The populations of the endangered and critically endangered species within the dune system mentioned above have been destroyed by clearing by the local communities. This is an indirect impact from mining activities, where communities are seeking compensation by clearing native vegetation and planting cassava. Kenmare will work to redress the lack of proactivity we have shown in working with government and local communities to restore biodiversity to this important and sensitive area.

In 2022, Kenmare applied for an addendum to its existing Pilivilil ESIA, to mine part of the coastal dune. In 2023, Kenmare will proactively pursue declaring a portion of the dune system, not within the mine path, a community forest, where we will work to restore the biodiversity that has been cleared by communities. We will work in partnership with APAIPS and the local communities. In parallel, we will propagate and plant priority species within the set-aside and revegetated areas that have been negatively impacted by induced project impacts, to mitigate the impacts of the mine on these species.

A HEALTHY NATURAL ENVIRONMENT CONTINUED

Tailings storage

Tailings are residues created as part of mining processes. Kenmare's operations currently contain most of the tailings in the mining void, which generally does not involve the construction of semi-permanent raised containment embankments, except in the case of valley crossing. We call these containment areas paddocks and drying cells. They store material that does not contain either ilmenite, zircon, rutile, or monazite. Site conditions such as topography, rainfall, seismic activity, mineral characteristics, and proximity to people are key factors in determining appropriate tailings strategies. The aim is to safely contain the tailings under all circumstances. Kenmare identifies geotechnical risk as a principal risk, and therefore actively manages it through our site and corporate risk registers.

We take a risk-based approach to the management of our paddocks and drying cells. Our tailings management standard and procedure currently adheres to the Mozambican National Regulation for Tailings Dams. Kenmare conducts daily, monthly and six-monthly inspections of its paddocks and drying cells, including inspection of berms and paddock safety, mine face safety and tailings management. These checks are conducted by both internal geotechnical specialists and by internationally reputable geotechnical specialists. Kenmare's TSFs are regulated, permitted, and comply with local laws and licences. Additional internal risk management protocols include risk-focused surveillance systems and processes, internal geotechnical risk reporting, and tailings and water management meetings.

In 2022, Kenmare began its journey to align its tailings facilities and management process with the Global Industry Standard on Tailings Management¹ (GISTM). GISTM promotes the principles of sustainable and responsible management of tailings storage facilities, across the mining industry. The global standard requires adherence to its 15 principles, encompassing social, design, technical, operational, management and closure aspects. Our internal assessment of our current GISTM compliance is over 50% and we have a roadmap to work towards compliance by the end of 2024.

Also in 2022, a pre-feasibility study for the development of the Nataka orebody within Kenmare's mining concession was conducted. It included a study to establish a Tailings Storage Facility intended for seven to nine years of use, which will require raised containment embankments, with the ability to store over 30 million tonnes of fine tailings, taking up a total area of 260+ ha. The Nataka TSF will be designed in alignment with GISTM from the outset.

The Church of England Pensions Board Investments group calls on publicly listed extractives companies to provide information for a tailings database, to increase transparency on TSFs following the tragic tailings dam disasters in Brazil. Kenmare's disclosure in line with the database's requirements can be found at www.kenmareresources.com/sustainability.

Waste

Kenmare is committed to minimising the environmental footprint associated with our waste management. Our non-hazardous waste sources include tailings; organic waste from on-site catering, offices, and the accommodation village; recyclable materials including plastic, paper, metal and glass; and effluent, which is managed by on-site sewerage treatment plants.

All non-hazardous waste is dealt with either by being sent to our landfill or by being packaged for recycling by certified specialist waste management firms. Our hazardous waste sources include chemical waste: laboratory and cleaning products in all operational areas; paint tins and brushes; and used hydrocarbons from machinery, plant and vehicles and scrap metal. All hazardous waste is taken from the site by third parties for responsible disposal. We continue to focus on minimising waste generation and encouraging waste segregation at its source.

In 2022, Kenmare appointed 3R, a waste management specialist, to help sort, report and manage our waste more effectively. 3R has established a more robust waste sorting area next to the landfill and at the end of the year began compacting recycled waste, ready for sending to suppliers in Maputo for recycling. The volumes of segregated recyclable waste for 2022 increased by 32% compared to 2021. During 2022, Kenmare introduced compostable lunch packaging for employee meals outside of the canteen. These replaced the polystyrene lunch packs being used before. In 2023, Kenmare will introduce new bins to help segregate all organic waste and use this for composting, to assist our rehabilitation efforts.

Kenmare operates a landfill to dispose of all non-recyclable waste and despite efforts to repair this facility in 2022, this was not completed owing to delays in verifying the original landfill designs met the Mozambican regulatory standards and the landfill lining being stolen by communities. As a result, during 2022 waste continued to be temporarily stored next to the landfill. Concerted efforts were made in January 2023, and as a result it will become fully licenced and operational by end Q1 2023. Kenmare generated 351 tonnes of non-recyclable and organic waste during 2022 (2021: 308 tonnes). The 14% increase is due to the new waste specialist, 3R, segregating, weighing, and storing more recyclable waste.

¹ GISTM is funded by the International Council on Mining and Metals (ICMM), the United Nations Environment Programme (UNEP), and the Principles for Responsible Investment (PRI)

Sewage treatment plants have been provided for the Mineral Separation Plant, Wet Concentrator Plants (WCPs), and accommodation village. Treated effluent from the WCPs are discharged as part of tailings, providing additional nutrients to reshape sand dunes after mining. Sewage sludge is dried and disposed of in the landfill.

In 2023, we will continue to progress waste management strategies, including further reducing single-use plastic water bottles and exploring sustainable recycling solutions.

Radiation

Monazite is a rare-earth mineral contained in the Kenmare mineral product suite, which contains naturally occurring radionuclides. Monazite makes up 18% of Kenmare's Mineral Sands Concentrate. Kenmare's radiation management plan helps ensure occupational exposure remains well below legal exposure limits and is compliant with national legislation, the International Commission on Radiation Protection (ICRP), and IFC Performance Standards (2012). It covers monazite management through the mining process, as well as management of other radiation sources, which are used to monitor flow.

In 2021, a redundant low-emitting radioactive gauge was accidentally dropped into a mining pond. As the gauge was both at the end of its life and its radiation transponder window was closed, it was assessed as presenting no environmental or safety risk. Additionally, the gauge was buried deep under sands and slimes and therefore would have been impractical to recover. Subsequently, new procedures and protocols have been put in place in 2022 to make sure this does not happen again. This includes new software to help track nuclear sources across the site. The protocol for moving a gauge now involves securing it with a chain to permanent infrastructure during its transportation to the radiation container, with full assistance from a Radiation Protection Officer. All points that the gauge is secured to have densitometers which are monitored by the plant control room, so if one stops reading, the control room receives an alert. Kenmare also interacted with regulators regarding the loss and to confirm no further action was required.

Environmental incidents

In 2022, Kenmare changed the categorisation of an environmental incident. New categorisation meant every occurrence of process water overflow was included as an environmental incident in 2022. Previously these events were classified as environmental concerns and only logged as an incident if the overflow continued over three consecutive days. This new categorisation led to a 441% increase in Environmental Incidents. Kenmare is working to reduce the number of process water overflows by improving the efficiency of the "Sump 8000" system used to manage excess process and storm water and recirculation to the Wet Concentrator Plants. Although improvements have been made to the sump's capacity and reliability, overflows still occur during power dips. With the commissioning of RUPS for MSP, the overflows caused by power instability have reduced. However, for the overall mine, this continues to be a concern. Plans are in place to identify a discharge pond in the WCP C mine path to cater for emergency overflows and remove sediment build-up on a regular basis.

Air quality management

Kenmare's air monitoring programme measures particulate matter (PM) at multiple locations on-site monthly to ensure the Mine is in line with ambient air quality standards. Monitoring of air quality is incorporated into the overall environmental monitoring programme for the operation and is reviewed annually by an independent air quality specialist. Kenmare conducts regular monitoring of PMs less than 10 micrometres in diameter (PM10) and less than 2.5 micrometres in diameter (PM2.5).

Independent consultants SafeTech conducted an air monitoring study in November 2022. Nine communities were surveyed for PM10 and PM2.5, Metals, Carbon Monoxide, VOCs, Nitrogen dioxide (NO₂), Sulphur dioxide (SO₂), Ozone and Formaldehydes. All the measured values of the NO₂ and SO₂ sampling showed that the IFC targets and guideline levels were met. The ambient organic vapours (VOC) that were measured are extremely low.

The Particulate Matter sampling results indicated the concentration levels of PM10 meet the IFC 24-hour 50 ug/m³ limit. There was one exception at Tipane, which had PM10 concentrations of 61.21 ug/m³. This was due to dust generated by the trucks transporting HMC from Pivilivi to the MSP. Continuous road watering and casuarinas planting is conducted to try and prevent dust spreading. The pumping system to transport HMC from Pivilivi to the MSP, which, although new, has been under repair in 2022, will reduce traffic on the haulage road when operational.



TRUSTED BUSINESS

TRUSTED BUSINESS

Kenmare recognises that strong sustainability performance on the ground has to be led and supported by the Board of Directors. Kenmare’s Board has the skill set, controls and mechanisms to ensure the Company meets and where possible exceeds both regulatory obligations and stakeholder expectations relating to the management of our Environmental, Social and Governance risks and opportunities.

Achievements

- Signed addendums to MoUs with the Ministry of National Defence and Provincial Police Command to require external training on Voluntary Principles on Security and Human Rights
- Training on Voluntary Principles on Security and Human Rights for 290 public security forces personnel
- 100% of on-site suppliers audited against Kenmare Supplier Code of Conduct
- 21/25% performance on ESG Scorecard linked to Executive Remuneration

Challenges

- Capacity building required for smaller suppliers to meet Kenmare’s sustainability standards

Standards and guidelines

- EU Taxonomy Regulation (EU) 2020/852
- Corporate Sustainability Reporting Directive (replacing Non-Financial Reporting Directive)
- UN Global Compact
- UN Sustainable Development Goals
- Extractive Industry Transparency Initiative (EITI)
- Global Reporting Initiative
- IFC Performance Standards
- Voluntary Principles on Security and Human Rights
- International Council on Mining and Metals (ICMM) guidance
- International Bill of Human Rights
- UN Declaration of Human Rights
- International Labour Organisation’s Fundamental Conventions
- Declaration on Fundamental Principles and Rights at Work
- Part I, Chapter IV (Human Rights) of the OECD Guidelines for Multinational Enterprises
- Kenmare business ethics policy
- Kenmare Supplier Code of Conduct
- Kenmare whistleblowing policy
- Kenmare Modern Slavery Statement

Material topics

- Business transparency
- Supply chain
- Anti-bribery and corruption
- Compliance and audit

Stakeholders

- Employees and unions
- Government and regulators
- Shareholders
- Suppliers, contractors and customers

100%

ON-SITE SUPPLIERS AUDITED AGAINST SUPPLIER CODE OF CONDUCT

\$29.5m

PAYMENTS TO MOZAMBIQUE GOVERNMENT (2021: \$26.5M)

\$37m

TOTAL PAYMENTS TO GOVERNMENTS (2021: \$29.7M)

79%

COMPLIANCE BY AUDITED SUPPLIERS WITH CODE OF CONDUCT

TRUSTED BUSINESS CONTINUED

Board of Directors

The Board of Directors plays a critical role, overseeing the Company's business strategy and the overall goal of delivering long-term value creation for shareholders and other stakeholders. The Board has ultimate responsibility for overseeing the execution of our sustainability strategy. Sustainability considerations are therefore included in business and strategic discussions are integrated into all levels of the business, with key objectives outlined in our policies, standards and incentive plans. The Chair of the Board, Andrew Webb, is responsible for overseeing the implementation of Kenmare's overall strategy, of which sustainability is a key component.

Four Board Committees – Audit and Risk, Nomination, Remuneration and Sustainability – provide oversight and guidance in key areas. Each Committee assists the Board in carrying out responsibilities such as assessing major risks, ensuring high standards of ethical business conduct, management and Board succession planning and talent management, and approving and providing oversight of the sustainability strategy and the policies that set our ambition, direction, and standards. All of Kenmare's policies can be found on our website: www.kenmareresources.com.

The Sustainability Committee provides management with direction and challenge on sustainability, including overseeing the development and review of the Company's climate strategy and management plan. Further details on the Sustainability Committee's responsibilities and matters it reviewed in 2022 are on pages 108–109 of the Annual Report.

The Sustainability Committee actively engages with management and provides advice and oversight on matters relating to health and safety, environment, community and social affairs, employees, security, human rights and stakeholder relations. The Committee also oversees the risks and risk mitigation strategy relating to such matters.

Dr Elaine Dorward-King is the Chair of Kenmare's Sustainability Committee and has Board-level responsibility for environmental and social issues. Elaine has extensive Executive and Leadership capability and experience in sustainability, climate and decarbonisation including previously leading sustainability and external relations for Newmont Mining Corporation.

The Committee's other members include Clever Fonseca, who has worked in the titanium industry for over 35 years and has extensive knowledge and Board-level management experience of mineral sands mining. 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. Mette Dobel was for many years a senior executive at FLSmidth, an engineering, equipment and service solutions provider to the global mining and cement industries.

The Committee met five times in 2022 to consider matters related to promoting a healthy and safe workplace and environmentally sound and socially responsible resource development. The Committee meetings include in-depth discussion on the strategies for mitigating Kenmare's top safety and sustainability risks, progress on internal metrics and public targets, and plans to continuously improve the Company's performance. The Committee also provides input on Kenmare's annual materiality review and reviews the Sustainability Report. Other Board Committees have oversight over relevant sustainability matters including the financial impact of climate-related risks, taxes and royalties, and inclusion and diversity. Each Committee Chair provides a report summarising the meeting to the full Board and every Board member has access to the Sustainability and Audit and Risk materials reviewed by the respective committees.

Sustainability governance

Kenmare Board

Sustainability Committee	Audit and Risk Committee	Nomination Committee	Remuneration Committee
Provides challenge and direction on all areas of sustainability management. In 2022, the Committee oversaw a further evolution of the climate and energy strategy, and progress towards short- and long-term decarbonisation goals.	Provides robust assessment of emerging and principal risks, including climate change. Ensures the financial impact of scenario analysis is evaluated and transparently reflected in our financial disclosures.	Ensures the Board has access to the relevant skills and capabilities to assess, address and report on Kenmare's sustainability policies and programmes, and exposure to climate change and the transition to a low carbon economy.	Ensures the Executive and site leadership teams are incentivised to make progress against sustainability KPIs, including decarbonisation and climate risk management goals. The 2022 Executive scorecard gave sustainability KPIs a 25% weighting.

Executive Committee

The Executive Committee is chaired by the Managing Director and consists of senior Executives from all key areas of the Company. It reviews and where required provides input into all Sustainability Committee papers and updates.

Kenmare management

Primary responsibility for the daily management and implementation of sustainability matters rests with Kenmare's management. The Managing Director (MD) has overall responsibility for Kenmare's sustainability performance. The Chief Operations Officer (COO) is responsible for the delivery of the Company's safety, health, security, social, economic and environmental performance. Climate and decarbonisation expertise is provided by Terry Fitzpatrick, the Group Technical Director, and Anna Brog, the Head of Sustainability. Terry Fitzpatrick has extensive experience in leading the identification, evaluation, and implementation of decarbonisation technologies within Kenmare. Anna Brog has held sustainability roles in the oil and gas and IT sectors, and leads a multi-disciplinary team to identify decarbonisation opportunities and to forecast our energy use and carbon emissions.

In addition, the whole of the Executive Committee reviews progress against ESG Scorecard KPIs quarterly. The site-based Senior Leadership and Executive Committee considered climate change-related risks and opportunities in detail in December 2022 and this analysis was shared with the Audit and Risk Committee.

The Moma Mine's General Manager (GM) is responsible for the day-to-day delivery of site-based safety, health, security and environmental outcomes. The Country Manager and Deputy Country and Community Relations Manager are responsible for legal, external engagement and social performance aspects of our business. The Heads of Department (HODs), specifically the Health and Safety Manager, Environment Manager, Security Manager and Supply Chain Manager, have responsibility for sustainability-related programmes. In addition, we have appointed a dedicated energy efficiency manager responsible for driving efficiencies in our diesel and grid electrical power usage.

Performance-based compensation

Management and senior employees are held accountable for the delivery of our sustainability targets through the Company's performance incentive schemes. For Executive Directors and certain employees, the relevant annual performance incentive scheme takes into account the Company's health and safety, environmental and social performance. During 2022, safety, health, and sustainability metrics represented 25% of the "Company Scorecard" and the remaining 75% were based on production, financial results and project execution. Further information on Executive Director remuneration is available in our Annual Report, which is available at www.kenmareresources.com.

Business transparency

Kenmare has a values-based culture and our principles, values and standards set out in our policies guide how we perform our work. We strive to create a culture that is inclusive, respectful, free from discrimination and harassment, and that values diversity. We are committed to upholding the highest possible ethical standards. All of our activities are conducted in accordance with our core values: Integrity, Commitment, Accountability, Respect and Excellence (ICARE). Kenmare's policies, listed at the beginning of each of the four pillars of our sustainability strategy, state the minimum requirements for employees and those acting on behalf of Kenmare's business interests to conduct business honestly, ethically and in the best interests of Kenmare.

Strategy and management approach

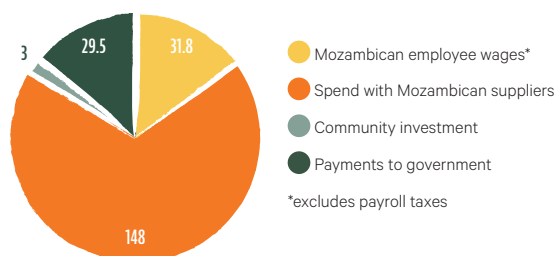
The primary goal of Kenmare's approach to business ethics and compliance is to ensure our policies and standards are upheld and to ensure all our work activities uphold the legal and regulatory requirements across several ethics and compliance risk areas. We achieve this through promoting a culture centred around our Company values, by emphasising personal accountability and responsibility, supporting employees with information and tools, and employing effective compliance controls. Our commitment to ethical behaviour is outlined in our business ethics policy. Moma employees undergo induction or annual refresher training, where they must attest, by means of a signature, that they have read and understood the requirements of our business ethics policy and that they will comply with them.

Kenmare subscribes to the Extractive Industries Transparency Initiative (EITI). Established in 2002, this reporting system supports good governance through the verification and publication of payments by companies and the use of government revenues derived from the extractive industries. In line with its reporting obligations under UK and Irish law and regulation and with the EITI, Kenmare discloses the payments it makes to governments on an annual basis and has been doing so since 2017. The Payments to Governments Reports are available on Kenmare's website. All payments disclosed have been made to national governments, either directly or through a ministry or department of the national government on a cash basis. Kenmare is also actively involved in the efforts of the Mozambique branch of the EITI to promote revenue transparency and accountability in the extractive industry, and we report on annual tax and royalty payments. The Mozambican EITI Secretariat was established in 2009 and Mozambique became an EITI compliant country in 2012.

TRUSTED BUSINESS CONTINUED

Kenmare's Country Manager is a member of the Multi-Stakeholder Group Co-ordinating Committee, which consists of representatives from government, private sector companies and civil society organisations. The Co-ordinating Committee is chaired by the Minister of Mineral Resources and Energy and meets quarterly. For Mozambique's 2020 Report, EITI requested additional information focused on beneficial ownership from reporting companies, and Kenmare provided information about legal ownership, which can be found at www.kenmareresources.com.

Economic value distributed Mozambique (m\$)



Breakdown of payments to governments, US\$'000

	2017	2018	2019	2020	2021	2022
Mozambique						
Mining royalty	2,833	2,933	3,180	3,627	4,200	5,699
Industrial Free Zone (IFZ) royalty	1,517	2,553	2,423	2,437	4,663	4,975
Payroll taxes	6,998	8,378	8,446	6,921	9,971	11,634
Corporation taxes			2,310	5,748	6,156	6,106
Withholding taxes	978	1,077	716	1,124	1,082	690
Licences	12	3	83	570	388	409
Total	12,338	14,944	17,158	20,427	26,460	29,513
Ireland						
Payroll taxes	2,262	2,739	2,678	2,495	2,628	2,638
Corporation taxes	5	4	7	267	128	4,354
Total	2,267	2,743	2,685	2,762	2,756	6,992
UK						
Payroll taxes	154	163	207	302	524	568
Total payment to governments	14,759	17,850	20,050	23,491	29,740	37,073

Governmental and political engagement

Kenmare maintains positive working relationships with government stakeholders at national, regional, district and local levels. Our proactive stakeholder engagement ensures they are aware of and can provide input to our present activities and future plans.

Kenmare does not make any form of political donation.

Anti-bribery and corruption

Kenmare has zero tolerance of bribery and corruption, and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. Kenmare has adopted and applies an anti-bribery policy that is consistent with both Irish and Mozambican laws on anti-bribery and corruption, including the Irish Criminal Justice (Corruption Offences) Act 2018. Employees receive training on our anti-bribery policy during inductions and annually thereafter.

Ethics investigations

Kenmare's whistleblowing policy and procedure provides Kenmare employees, contractors and suppliers, as well as any member of the public, with the opportunity to independently and anonymously report conduct that is in contravention of the law or any of Kenmare's policies, such as the business ethics policy or the anti-bribery policy. Available in Portuguese and English, the service is outsourced to uphold its independence. All whistleblowing reports are directed to the service provider's central facility, then sent to Kenmare's internal auditor (with a copy to our General Counsel) in the case of reports from the Moma Mine, or to the Company Secretary in the case of reports from our Dublin office, who will then consider the appropriate next steps. All reports and outcomes are presented to Kenmare's Audit and Risk Committee.

In 2022, we received two cases via our confidential whistleblowing line, Safe call. There were three additional cases that came to the Company's attention and a total of five cases were investigated. Three of the five cases related to concerns about corrupt activities, but none of the cases were ultimately substantiated. The other two related to an employee grievance concerning their colleague, and an allegation that a supplier was wrongfully acting on Kenmare's behalf to purchase products fraudulently. Neither case was substantiated with evidence.

2022 Ethics investigations	Total
New issues captured in third-party whistleblowing line	2
Total number of issues investigated (substantiated and unsubstantiated)	5
Total substantiated cases	0
2022 Nature of ethics matters opened	
Concerns about corruption	3

Protection of human rights

We are committed to upholding the human rights of all our stakeholders and we have zero tolerance of modern slavery in all its forms. We recognise that the nature and context of our business – based in a remote area in a developing country – exposes our organisation and supply chain to the potential risk of adverse human rights impacts, such as modern slavery and human trafficking, including underage, forced or bonded labour. We work to continually assess the extent of this risk and to take steps to ensure that modern slavery has no place in Kenmare’s business or supply chain. Kenmare’s Supplier Code of Conduct clearly states our zero tolerance of modern slavery.

Kenmare is committed to respecting internationally recognised human rights, including fundamental labour rights and international labour standards as set out in the Universal Declaration of Human Rights, and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work. We recognise the responsibility we have to respect and uphold human rights in our operations and supply chain.

Kenmare’s employment policy and diversity and inclusion policy explicitly prohibits any kind of discrimination. Kenmare provides all new employees with a copy of its human rights policy and training on our human rights expectations. The Group also communicates this policy to external stakeholders by making it available on the corporate website. Breaches of its human rights policy, employment policy or diversity and inclusion policy are treated seriously and may result in sanctions against the relevant personnel.

For more information on our commitment to upholding human rights, see our human rights policy.

Modern slavery

Although Modern Slavery Acts across the globe are relatively new, Kenmare made a commitment as part of our financing agreements in 2004 to uphold the International Labour Organisation’s (ILO) Conventions on forced labour, child labour, equal remuneration, discrimination, and freedom of association. Kenmare has voluntarily developed and published a Modern Slavery Statement. We work to continually assess the extent of this risk and take steps to ensure that modern slavery has no place in Kenmare’s business or supply chain. We work in collaboration with our suppliers to eradicate modern slavery from our supply chain and we have not been informed of, or are aware of, any modern slavery or human trafficking issues in our supply chain.

Voluntary Principles on Security and Human Rights

In 2022 Kenmare signed addendums to the two Memorandums of Understanding (MoUs) with the Provincial Police Command in Nampula and the Ministry of National Defence, for the provision of police public and naval security forces in and around the mining concession. Under these MoUs, Kenmare contributes to the financing of equipment and salaries of the security forces. The Provincial Police Command and Ministry of National Defence agreed to observe the Voluntary Principles and the United Nations Basic Principles Relating to the Use of Force and Firearms by the Law Enforcement Officials. In support of this, the Provincial Police Command and the Ministry of National Defence agreed to appoint an internationally recognised, certified, and independent third party to undertake annual training and certification on these principles twice annually.

In line with the MoUs and to ensure the public security forces uphold the Voluntary Principles, security specialists, G4S, provided two external training sessions on the principles during 2022. Both sessions consisted of two-day workshops, training a total of 290 public security personnel. The workshops covered: The Universal Declaration of Human Rights (1947); the International Covenant on Civil and Political Rights (1966); the International Convention on Economic, Social and Cultural Rights (1966); the International Labour Organisation Declaration on Fundamental Rights at Work (1998); and Kenmare case studies and shared learning examples.

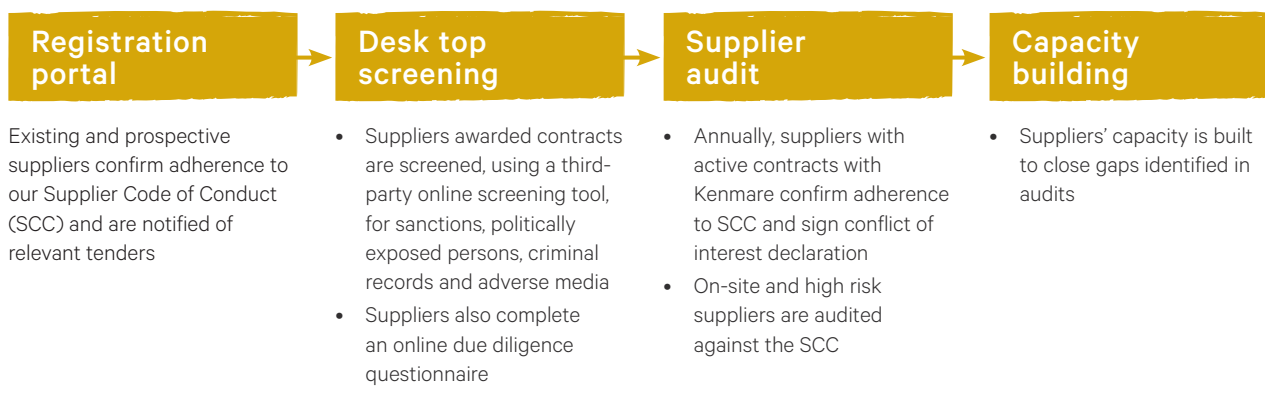
TRUSTED BUSINESS CONTINUED

Supply chain

In 2022 the Moma Mine had over 900 registered active suppliers, 48% of which are businesses located in Mozambique, including 19% from the province of Nampula in which we operate. The remaining 52% are international suppliers. The inherent risks of managing such a large supplier base are high. Over the last few years, Kenmare has devised a strategy and due diligence process for the Moma Mine, outlined in the graphic below, to help achieve the following objectives:

- Ensure our suppliers and contractors uphold the sustainability standards Kenmare is required to maintain, for our own regulatory and social licence to operate
- Manage Kenmare’s social, environmental and governance risks in our supply chain
- Build capacity among local suppliers, ultimately levelling the playing field with international suppliers and growing the proportion of local content

Supplier sustainability due diligence process



Supplier Code of Conduct

A new Supplier Code of Conduct was approved by Kenmare’s Board and implemented in 2022. The Code is translated into Portuguese and is available via both Kenmare’s English and Portuguese websites and is a document that all suppliers must confirm they adhere to.

Kenmare remains focussed on the role of our contractors in upholding our strong health and safety approach. Any contractors or visitors to the mine site receive a sustainability induction and are required to comply fully with Kenmare’s safety requirements.

On-site contractors are deemed higher risk given their direct exposure to and influence over our operations. In 2022, 62 onsite contractors provided goods and services to our operations. They were each asked to complete a sustainability questionnaire covering questions on each of the areas covered by the Supplier Code of Conduct, which summarises Kenmare’s policies: health and safety; environment; human rights; anti-bribery; business ethics; diversity and inclusion; freedom of association; and whistleblowing. In addition to on-site contractors, we identify suppliers deemed higher risk, as determined by the nature of the service provided and contract value. Those higher-risk suppliers also receive a visit from a representative of Kenmare, as part of our quality assurance process, to confirm the suppliers’ capability and conformance to our policies. Alignment is tested by verifying the presence of various policies and procedures, enquiring about standardised certifications,



understanding what management systems are in place, obtaining details regarding possible adverse events, legal transgressions and carrying out physical inspection of the premises and plant.

The supplier sustainability audit showed an overall alignment score of 79%. The supplier sustainability audit revealed evidence of strong support for and conformance to Kenmare's policies as well as some areas for improvement. Gaps in some suppliers' approaches included suppliers not adopting specific policies, e.g. freedom of association; not having their own processes of audit or continuous improvement in place; and, in some cases, the requirement for expansion of environmental programmes. In the second half of 2022, Kenmare embarked on a capacity building programme to help suppliers improve their internal processes and ability to meet our sustainability standards. This programme will continue into 2023.

During the year, Kenmare's Moma supplier pre-registration portal continued to target local suppliers interested in working with Kenmare. Through the portal, suppliers can register online and read and confirm support and adherence to our policies. Suppliers awarded tender offers are then screened using a third-party screening tool for sanctions, politically exposed persons, criminal records and adverse media. Kenmare also ensures their business is financially viable and upholds strong business ethics. Supplier accounts with no activity for 18 months or more are put on hold to ensure the due diligence process is performed again before these suppliers can be re-activated.

Compliance and audit

An alleged or actual ethical, compliance or legal violation is a significant risk to our business, potentially impacting our ability to operate or resulting in fines and/or penalties and reputational harm. Kenmare has a range of checks and balances in place to ensure our policies and standards are addressing the risks they and their accompanying programmes are designed to mitigate.

- Kenmare's internal audit function reviews and assures our systems and controls are reliable and secure, our operations are run in accordance with our own policies, legal and regulatory requirements, and significant risks are effectively managed. To ensure objectivity and independence, the internal audit function reports to the Board's Audit and Risk Committee.
- Third-party audits of our safety, health and environmental management systems are conducted annually by the National Occupational Safety Association (NOSA).
- Specialist third-party consultants review Kenmare's reporting of environmental, social, health and safety matters and report thereon to the providers of the Group's external debt.
- In 2022, our greenhouse gas emissions data was independently assured by a third party for a second consecutive year.

The Government of Mozambique requires a registered independent auditor to conduct annual environmental audits of the operation and conducts separate audits of completed Resettlement Action Plans (RAP) to ensure both environmental and social commitments have been implemented. During 2022, Kenmare submitted regular Pivili RAP monitoring reports to the Government of Mozambique. They found all aspects of the RAP were in conformance and commended Kenmare for the quality of the resettlement housing. Kenmare received zero fines or sanctions during the reporting period relating to environmental, social or health and safety matters.

Kenmare Resources plc

4th Floor

Styne House

Hatch Street Upper

Dublin 2

Ireland

T: +353 1 671 0411

F: +353 1 671 0810

E: info@kenmareresources.com

www.kenmareresources.com