



RESPONSIBLY MEETING
GLOBAL DEMAND FOR

QUALITY- OF-LIFE MINERALS

2021 SUSTAINABILITY REPORT

THIS REPORT SETS OUT KENMARE'S STRATEGY, POLICIES AND MANAGEMENT APPROACH TO OUR LONG-STANDING AND ON-GOING 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 separate 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 Climate Strategy Report, the KMAD Annual Report, and the 2021 Annual Report and Accounts, available on our website: www.kenmareresources.com.



Climate Strategy Report



KMAD Annual Report



2021 Annual Report and Accounts

For more information visit:
www.kenmareresources.com



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Kenmare Resources Plc



@KenmareResourcesplc



Safe and engaged workforce

Safety is at the heart of everything we do. We are proud of the new safety records set in 2021, as well as the steps we are taking to support our staff to develop their careers through skills and leadership training.

Read more about our [safety performance](#) on pages 21-33.



Thriving communities

Community engagement was critical in the development of the Resettlement Action Plan for the next phase of our mine path in Namalope West, and we thank our host communities for their time and participation in that process.

Read more about the [Namalope West RAP](#) on page 42.



A healthy natural environment

Over 90% of our electricity is supplied from a renewable source. Kenmare is investigating options to increase our use of renewable energy and reduce our diesel usage.

Read more about our [approach to Climate Change](#) on pages 45-48.



Trusted business

The Sustainability Committee has taken steps to further strengthen our governance by approving our Climate Policy and our Supplier Code of Conduct.

Read more about [Kenmare's Governance](#) on pages 57-58.

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READ OUR 2021 ANNUAL REPORT

A record annual performance in terms of safety, production and shipments, with ~\$100m in shareholder returns.

SUSTAINABILITY COMMITTEE CHAIR'S STATEMENT



Progressing our environmental, social and governance goals

ELAINE DORWARD-KING
SUSTAINABILITY COMMITTEE CHAIR

Businesses today are held accountable for their activities by a wider range of stakeholders than ever before. Shareholders are increasingly focused on the environmental, health and social impacts associated with the returns on their investments. Kenmare is continually working to progress our environmental and social goals, creating value for all of our stakeholders. Our purpose as a Company is to responsibly meet global demand for "quality-of-life" minerals, and we are committed to fulfilling this role in a sustainable and inclusive way.

Safety and COVID-19

2021 continued to be a difficult and challenging year for everyone, and I am proud of Kenmare's ongoing response to the pandemic. As COVID-19 threatened lives and livelihoods around the world, Kenmare's team mobilised to safeguard each other, our contractors and our host communities, and to keep our operations running safely and smoothly. The additional burden of managing the pandemic makes Kenmare's safety record of six million hours without a Lost Time Injury (LTI), which was achieved in November 2021, and one year LTI-free on 6 January 2022 even more significant. I congratulate the whole organisation for this excellent accomplishment. In our pursuit of continuous improvement, our attentions will now turn to ensuring we can maintain the high bar that has been set, as well as strengthening safety practices within our supply chain, where there is still progress to be made.

Governance and risk management

The Board's Sustainability Committee is responsible for overseeing the management of issues covered in this report. On behalf of the Board, the Committee supervises the development of policies, processes and strategies designed to manage sustainability risks and opportunities. In 2021, the Committee oversaw and approved the development of the Company's first formal Sustainability Strategy with medium-term targets, which are set out on pages 18 and 19.

In addition, the Company made a new commitment to climate risk management and the Board approved an ambition to become Net Zero (Scope 1 and 2) by 2040,

with a short-term carbon emissions reduction target of 12% by 2024. Kenmare's emissions intensity is low relative to peers, thanks to our early investment in connecting to the Mozambican national grid's supply of hydro-electric power. Our low emissions intensity makes the challenge of full decarbonisation even greater for Kenmare. Our Net Zero ambition, ratified in a new Group Climate Policy, acknowledges that we must all play our part, no matter what our starting point. We are at the early stages of our investigations into low carbon technologies, focusing on projects that will create positive or at minimum break-even Net Present Value (NPV) for the Company.

In 2021, Kenmare tested the business against a range of alternate warming pathways, including in a scenario aligned with the goals of the Paris Agreement, which demonstrated its overall resilience. We have committed to being fully transparent in the steps we take to meet these goals, and their impact on our business. Our inaugural Climate Strategy Report aligns with recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and details Kenmare's governance, strategy, scenario analyses and climate-related risks and opportunities.

Diversity

Kenmare is working towards gender equality through a focused strategy to increase female representation in our workforce and our leadership. As of 1 January 2022, women comprise 30% of Kenmare's Board and after the 2022 AGM in May, this will increase to 33%. At the end of 2021, female representation in our Moma Mine workforce increased to 12.5% (2020: 10.6%). This represents steady year-on-year progress, with the representation of women in the workforce trebling over the last five years, increasing from 4% in 2016. We continue to further improve our female recruitment and retention programmes, which you can read more about on pages 26 and 27. We are committed to continuing this progress, recognising that the remote location of our mine and social and cultural norms in Mozambique mean this will be a long-term endeavour.

Read about [our COVID-19 management](#) on page 24

Read about [our Climate Strategy](#) on page 46

Human rights

Kenmare is increasingly vigilant in assessing potential abuses of human rights both in its business and supply chain. We have a Memorandum of Understanding (MoU) in place with the Mozambican Ministry of Defence for the presence of marines operating close to our mine and a MoU with the police force. We are in the process of renegotiating both MoUs to reinforce the pre-existing commitment of the respective forces to upholding the Voluntary Principles of Security and Human Rights (the VPs). From 2022, we intend to provide external training to support their understanding of the implementation of the VPs.

Supply chain

During 2021, Kenmare made strides to improve the governance of our supply chain, recognising the impact our suppliers have on sustainability issues ranging from safety and environment, through to labour practices and human rights. To mitigate against possible future non-conformances, we have incorporated additional questions into our sustainability audits relating to human rights, and environmental policies and practices, the results of which you can read about on page 62. In addition, the Committee approved a Supplier Code of Conduct which summarises Kenmare's policies in one accessible Code to streamline the process of complying with our sustainability standards for our smaller, local suppliers. The procurement team is now designing a training programme to help suppliers develop their sustainability knowledge and expertise, where areas for improvement are identified.

Transparency

I'm proud to report that Kenmare has been recognised for a second consecutive year as the most transparent company in Mozambique by the Centro de Integridade Pública (CIP) Extractive Industry Transparency Index. The CIP assessed Kenmare as having the most transparent public disclosures on fiscal, corporate governance, social and environmental issues.

Kenmare aims to continuously improve overall management of sustainability and transparency of reporting. In 2021 Kenmare published its inaugural Sustainability Report and in 2022 this has been built upon further with the setting of external targets for performance to be measured against.

Acknowledgements

Kenmare made important progress in 2021, which this report sets out. I would like to thank the Committee's other members, and the Executives supporting them, for their leadership and commitment to advancing Kenmare's sustainability ambitions.

I would also like to thank all Kenmare employees, the Executive Committee and our Board for their unremitting efforts in helping to 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

“Kenmare aims to continuously improve overall management of sustainability and transparency of reporting.”

ELAINE DORWARD-KING

SUSTAINABILITY COMMITTEE CHAIR



MANAGING DIRECTOR'S STATEMENT



A record year for safety

MICHAEL CARVILL
MANAGING DIRECTOR



Read about [safety leadership](#) on page 23



Read about [local procurement](#) on page 38

Kenmare has always strived to be a catalyst for positive and responsible change. This is evident from the Board's decision to establish the Kenmare Moma Development Association (KMAD), a not-for-profit development association to support our host communities, in 2004, before mine construction even commenced. Since those early beginnings, our commitment to strong environment, social and governance (ESG) practices has further developed and is today part of the fabric of the Company and central to all our actions.

Safety and COVID-19

I'm immensely proud that despite the challenges a second year of the pandemic presented, our safety performance was the best since operations began. This achievement reflects our commitment to improving safety leadership, processes and training.

Our site leadership hosted weekly "Visible, Felt Leadership" safety sessions; leadership also participated in safety coaching training; staff received 13,000+ hours of safety training; and our employees were recognised for exemplary safety behaviour. All of these initiatives, together with the focus and dedication of our staff to prioritise safety, has contributed to this outstanding result. Our 2021 Total Recordable Injury Frequency Rate (TRIFR) relative to the 2020 International Council on Mining and Metals (ICMM) TRIFR was in the top quintile.

During 2021, our people continued to demonstrate their resilience in the face of the pandemic. Kenmare is grateful to all our employees who went above and beyond what was expected of them, sometimes without being able to return to their families for extended periods due to travel restrictions.

We continued to take action to prioritise our people's health and safety and that of our host communities, which included the voluntary double vaccination of our workforce at the Moma Mine and the donation of 12,000 vaccines to local communities.

Decarbonisation

In recognition of the role all private and public sector entities must play in the urgent task of combatting climate change, Kenmare has established an ambition to be Net Zero by 2040. We have begun investigating potential pathways to achieving this goal and our \$18m investment in the Rotary Uninterruptible Power Supply (RUPS) project is a good example of an initiative that will deliver reduced emissions, while enhancing Net Present Value and delivering operational stability. The RUPS will provide a stable supply of electricity during the summer months when the electricity transmission network becomes unstable due to storms. It will also be the main contributor to a 12% reduction in GHG emissions by 2024, associated with lower diesel consumption. The key focus of our decarbonisation efforts is to displace the mine's diesel consumption, but we will also evaluate energy efficiency improvements and explore ways to leverage our progressive land rehabilitation strategy to balance food security, biodiversity, and carbon sequestration.

As part of the development of our updated climate strategy in 2021, we evaluated physical and transition risks and Kenmare's resilience to them. Having operated in Mozambique for several decades, we are acutely aware that the region is particularly vulnerable to the physical effects of extreme weather events. For the past 15 years, we have integrated robust emergency response plans into our operational strategies to deal with such events.

Reflecting on transition risks, in late 2020 and early 2021, China and the US respectively joined the European Union in setting Net Zero or carbon neutral ambitions within a 2050-2060 timeframe. Together, these three regions account for 76% of our sales. The anticipated regulatory changes that will follow these commitments, as well as the expectations of our investors and major customers, present both challenges and opportunities for Kenmare.

As customers increasingly look to decarbonise their products across the whole value chain, we expect that the low carbon footprint of Kenmare's products should position us well as a preferred upstream supplier in the future. We are therefore confident in Kenmare's resilience to climate-related risks and we will also pursue relevant opportunities as the world transitions to a low carbon economy.

"I'm immensely proud that despite the challenges a second year of the pandemic presented, our safety performance was the best since operations began."

MICHAEL CARVILL
MANAGING DIRECTOR



Read more about
[community relationships](#)
on page 34



Read more about
[biodiversity](#)
on page 52

Social performance

Kenmare has always prioritised building open and respectful relationships with our host communities and district authorities in Larde and Moma. This work helps to build a positive environment in which the host communities have accepted and often supported our operations. We are able to operate because we take seriously, and fulfil our commitments, to our host communities and district and national governments. KMAD is integral to this process, and we are proud of the achievements we have made over the last 17 years, which have focused on three key areas: livelihoods and economic development; healthcare; and education. During 2021, KMAD concluded its latest three year strategic plan (2019-2021), the highlights of which you can read about on page 35. KMAD also established a new three-year strategic plan that builds on the important foundations it has achieved to date and brings in a new additional focus on water and sanitation. While KMAD has always made concerted efforts to provide access to water for host communities, the team will redouble its efforts in supporting communities and government to build their capacity to improve sanitation.

Local procurement

Local procurement is important to Kenmare not only because it is a priority for our stakeholders, but also because it makes good commercial sense. We've spent the last four years voluntarily building our commitment to local procurement in Moma and are proud of the results we're starting to see. Our operating expenditure with Mozambican suppliers grew by 23% in 2021 to \$95.8 million (2020: \$78.2m).

We encourage our international suppliers to establish a local presence, so they can expand their socio-economic contributions to Mozambique through the taxes they pay, local job creation and building local capability. We also invest in the development of local suppliers and help local businesses and entrepreneurs to develop their capacity to meet the standards Kenmare asks them to adhere to, through training programmes and local procurement forums.

Biodiversity

Our commitment through our progressive rehabilitation programme is to return land to the community in a timely way, meeting their needs for food security whilst restoring the pre-mining biodiversity of the land. In 2021, we rehabilitated 198 ha of land. During 2021, we also ran small-scale agro-forestry trials, which help restore soil fertility and native species, whilst providing cash crops for communities and alternative sources of nutrition beyond the staple cassava that is commonly grown. We learned several lessons from these initial trials, they showed promise and we intend to build and expand our agroforestry programme in 2022.

Engagement with stakeholders

Despite the limitations imposed by the pandemic, I was pleased to still be able to meet in person with a wide range of Kenmare's key stakeholders in 2021, including local and national government, local community leaders, our site-based employees, contractors, and suppliers. I also met our key shareholders several times throughout the year; their insights and feedback are always invaluable to me and my colleagues as we assess and refine our strategy and operations.

Outlook

We have made good progress in 2021 to continue to evolve and improve our approach, defining a sustainability strategy with associated short and medium-term targets, setting an ambition to become Net Zero by 2040, enhancing our focus on managing sustainability risks in our supply chain, and strengthening our community relationships through KMAD's important work. We continue to strive to create long-term sustainable benefits for all our stakeholders and 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 contribution as we continue to make progress on our sustainability journey.

MICHAEL CARVILL
MANAGING DIRECTOR

EXECUTIVE SUMMARY/HIGHLIGHTS



Safe and engaged workforce

Safety

1 YEAR
WITHOUT A LOST TIME INJURY

achieved on 6 January 2022, representing more than six million hours worked and an 88% LTIFR reduction compared to 2020

See page 21 to read more

Gender diversity

12.5%
FEMALE REPRESENTATION

at the Moma Mine in 2021, an increase of 18% relative to 2020 (2020: 10.6%)

See page 26 to read more

Localisation

97%
MOZAMBICAN NATIONALS

in the Moma Mine workforce (2020: 97%)

See page 29 to read more



Thriving communities

Social

\$673K
INCOME GENERATED

from livelihood projects established through KMAD loans, supporting 376 beneficiaries (2020: \$557k)

See page 39 to read more

Local suppliers

22%
INCREASE IN LOCAL OPERATING SPEND

\$16.8m in operating expenditure in 2021 with local (Nampula province) suppliers (2020: \$13.8m)

See page 38 to read more

Socio-economic development

93%
OF KMAD STRATEGIC PLAN DELIVERED

in 2021 (2020: 93%)

See page 34 to read more





Healthy natural environment

Climate change

NET ZERO

AMBITION SET BY 2040

Kenmare is committed to reducing emissions and is exploring several decarbonisation technologies

See page 48 to read more.

Carbon emissions

20%

REDUCTION IN CARBON INTENSITY

per tonne of mine product. Absolute emissions increased by 18% due to a 46% increase in mined product.

See page 47 to read more

Land rehabilitation

198 HA

OF LAND PROGRESSIVELY REHABILITATED

and handed back to communities (2020: 180.5 ha)

See page 51 to read more



Trusted business

Transparency

CIP

EXTRACTIVE INDUSTRY TRANSPARENCY INDEX

Centro de Integridade Pública, a Mozambican Government body, recognised Kenmare as the most transparent extractives company in Mozambique

See page 59 to read more

Economic contribution

\$311M

VALUE DISTRIBUTED IN MOZAMBIQUE

through operating costs, employee wages and benefits, capital spend and payments to government (2020: \$335m)

See page 59 to read more

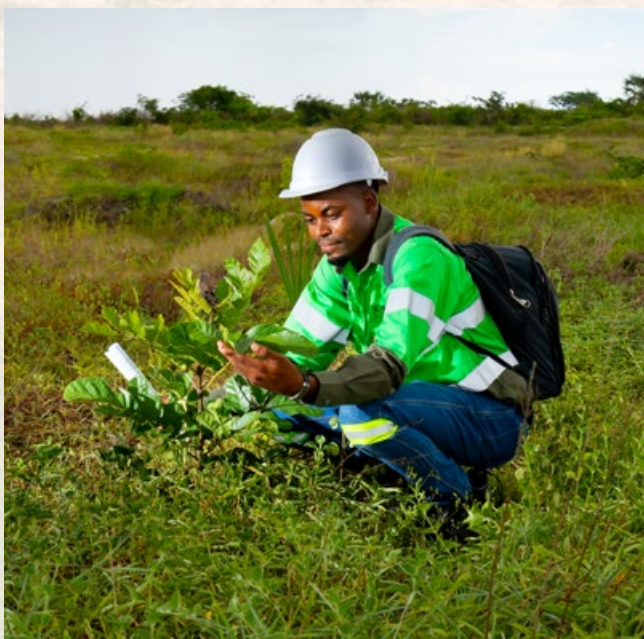
Human rights

VPs

TRAINING

Internal security team received refresher training on the Voluntary Principles on Security and Human Rights (the VPs)

See page 61 to read more



OUR BUSINESS

We are focused on creating value for all stakeholders through our purpose of "Responsibly meeting global demand for quality-of-life minerals." This purpose is best served through the alignment of our culture, values, and strategy. Our actions are informed by our guiding principles: We Care, We Grow, We Excel



CULTURE

KENMARE AIMS TO FOSTER A PURPOSE-LED, HIGH-PERFORMANCE, INCLUSIVE CULTURE. OUR VALUES OF INTEGRITY, COMMITMENT, ACCOUNTABILITY, RESPECT, AND EXCELLENCE (ICARE) GUIDE OUR BEHAVIOUR, SHAPE OUR CULTURE, AND ARE FUNDAMENTAL TO ENSURING WE CREATE THE MAXIMUM BENEFITS FOR ALL OF OUR STAKEHOLDERS.



Read more about our stakeholders on page 14 and 15

POSITIONED IN THE FIRST QUARTILE

What it means

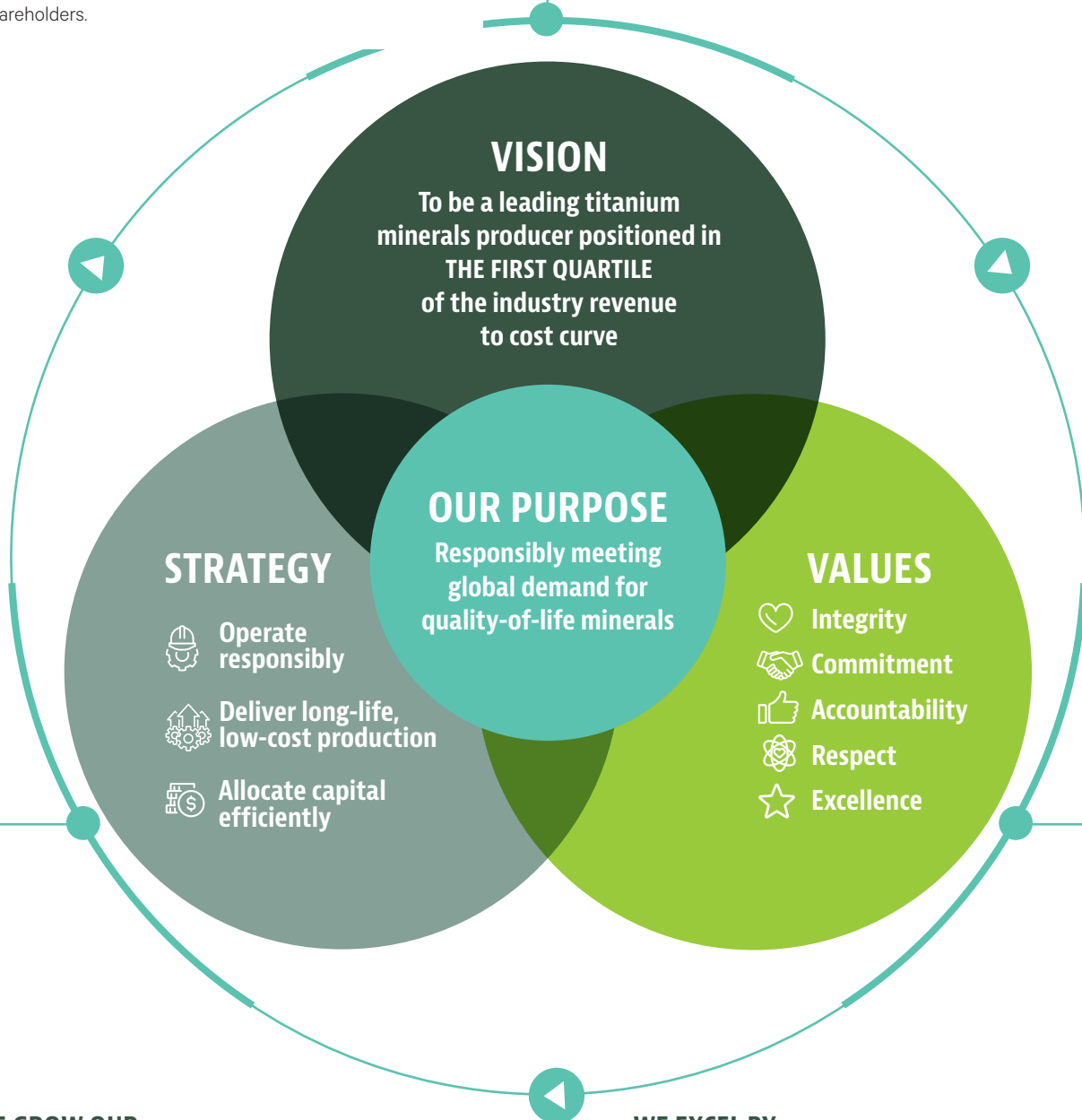
Being in the first quartile of the industry margin curve means that a company generates more revenue per dollar of costs incurred than 75% of its competitors.

The benefits

Companies who operate in the first quartile will generate higher cash margins than the majority of the industry. This provides a stronger opportunity to continue to invest through the commodity cycle, while supporting returns to shareholders.

WE CARE FOR:

- The safety, health, security and well-being of our employees, the environment, communities and other stakeholders.
- Our host communities by forming partnerships; sharing and participating in the preservation of their environment, traditions and values.
- Company assets by providing suitable security and risk management systems and striving for best practice in the operation and maintenance of company assets.



WE GROW OUR:

- Business through exploration, production expansion projects, and expanding existing and new markets.
- Employees by providing attractive work opportunities, treating them fairly and providing opportunities for personal growth to match their interests and capabilities.
- Host communities by forming partnerships to develop and promote economic and social well-being.

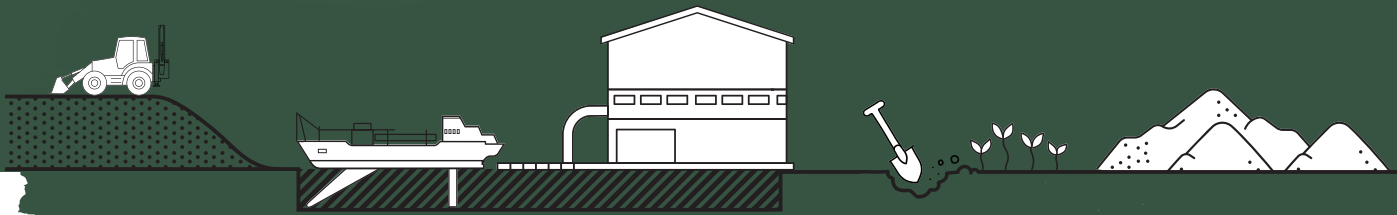
WE EXCEL BY:

- Optimising operations, increasing productivity and lowering costs through the continuous improvement of processes, procedures and skills.
- Achieving control and standardisation through planning and developing systems and processes of work.
- Striving for best practice in all areas of operations, customer service and corporate citizenship

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: MINING

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.

2: WET CONCENTRATOR PLANT (WCP)

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).

3: DUNE REHABILITATION

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.

 Read more about **how we rehabilitate land and hand it back to the local communities** on page 51.

4: HEAVY MINERAL CONCENTRATE

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).

MINING



>90%

POWER FROM HYDROPOWER

0

CHEMICALS USED IN OPERATIONS

198 ha

LAND REHABILITATED IN 2021

42,255

NATIVE TREES PLANTED IN 2021

Over 90% of Moma’s power comes from hydropower and Kenmare uses progressive land rehabilitation practices to return mined land to communities in a timely manner.



5: WET HIGH INTENSITY MAGNETIC SEPARATION

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.

6: MAGNETIC, GRAVITY AND ELECTROSTATIC SEPARATION

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.

7: PRODUCT STORAGE WAREHOUSE

Ilmenite and rutile are stored in a 185,000 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.

8: CONVEYOR AND JETTY

The conveyor transports 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.

9: OCEAN-GOING BULK CARRIER

The vessels transport the products to a deep water transshipment point 10 km offshore, where they self-discharge into customer bulk carrier vessels. These vessels then transport the final products to multiple destinations around the world.

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.

ABOUT THIS REPORT

Kenmare's 2021 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 2021. 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 downloadable 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, 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, and with the exception of GHG emissions data, is unaudited. Kenmare does not have interests in any other assets.

GLOBAL REPORTING INITIATIVE (GRI) STANDARDS

This report has been prepared with reference to GRI, a global standard for sustainability reporting. This report references the Mining and Metals Sector Supplement and is accompanied by a GRI content index, which maps our disclosures against the GRI framework, core option.



GREENHOUSE GAS PROTOCOL INITIATIVE

Our emissions reporting is defined in detail in our Basis of Reporting, which can be found at www.kenmareresources.com, and has been prepared in alignment with the Greenhouse Gas Protocol Initiative, convened by the World Resources Institute, and the World Business Council for Sustainable Development. ERM Certification and Verification Services have provided limited assurance on our GHG emissions, further detail can be found on page 47. In 2021, we began reporting six categories of Scope 3 emissions, in line with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Our reporting is compliant with the principles of TCFD, which was created by the Financial Stability Board in 2015 to develop consistent climate-related financial risk disclosures. Kenmare's detailed disclosures are set out in a separate Climate Strategy Report. The index of Kenmare's disclosure against the four thematic areas and 11 specific areas can also be found in our Sustainability Fact Book.



EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (EITI)

Kenmare is actively involved in the efforts of EITI to promote revenue transparency and accountability in the extractives industry. Mozambique's 2020 EITI Report published information on beneficial ownership from reporting companies, and Kenmare provided information about legal ownership, which can be found in our Payments to Government Report and Sustainability Fact Book.



INTERNATIONAL FINANCE CORPORATION (IFC)

Kenmare has aligned to the Safety, Environment and Social Performance standards (2012) of the IFC, an international financial institution providing investment, advisory, and asset management services to encourage private sector development in less developed countries.



UN GLOBAL COMPACT

Kenmare supports the Principles of the United Nations Global Compact on human rights, labour, environment, and anti-corruption. This report reflects our communication on progress on the Ten Principles and an index detailing specific disclosures can be found in our Sustainability Fact Book.



CDP (PREVIOUSLY KNOWN AS THE CARBON DISCLOSURE PROJECT)

Kenmare improved its scoring by CDP from a D in 2020 to a C in 2021. This score means we have achieved "awareness" level, demonstrating knowledge of impacts on, and of, climate issues. reflecting steady progress in our approach to accounting for and managing climate risk and GHG emissions.



NATIONAL OCCUPATIONAL SAFETY ASSOCIATION (NOSA)

NOSA is the external safety and environmental management system utilised on site. NOSA is a South African-based organisation that provides safety training and auditing services. In 2021, we maintained our focus on safety and environmental management and retained our NOSA Occupational Health, Safety and Environmental Management System 5 Star status, the highest level, for a sixth consecutive year.



VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS (THE 'VPS')

Kenmare's Human Rights policy and security practices align with the VPs, a global initiative, seeking to protect human rights through leading safety and security practices. We do this by reviewing our performance against the VP guidance tools.



INTERNATIONAL COUNCIL ON MINING AND METALS (ICMM)

In 2021, Kenmare worked to begin aligning our water balance reporting and water accounting framework with the ICMM water stewardship principles and framework. ICMM's Mining Principles define good environment, social and governance requirements for the industry.



THE CHURCH OF ENGLAND PENSIONS BOARD

The Church of England Pensions Board Investments group has called on publicly listed extractives companies to provide information for a tailings database, to increase transparency on tailings storage facilities following the tragic disasters in Brazil. Visit our Sustainability Fact Book for our full disclosures.



SUSTAINABLE DEVELOPMENT GOALS (SDG)

We focus on the SDGs where we can have the greatest positive impact, appropriate to our activities and operations. We positively contribute to many of the SDGs, but our sphere of influence is most closely aligned with Goals 1, 2, 3, 4, 5, 6, 8 and 13. Throughout this report, we show how our programmes, activities and partnerships are contributing to achieving the Goals. Visit our Sustainability Fact Book to read about our progress on the specific indicators we aim to make progress towards.



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.

EMPLOYEES AND UNIONS



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.

IMPORTANCE OF ENGAGING

WAYS WE ENGAGE AND HOW WE MONITOR ENGAGEMENT

SIGNIFICANT TOPICS RAISED

KENMARE'S RESPONSE AND ACTIONS TAKEN

- 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

- Training and development opportunities
- Remuneration
- Working conditions
- Labour rights
- Human rights
- Health and safety

- Updating Health and Safety Policy
- Increased investment in employee development, including a new leadership training programme
- Employee engagement survey
- Publication of Modern Slavery Statement in 2021

COMMUNITIES



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.

- 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

- Respect for local values and traditions
- Socio-economic development
- Employment and procurement opportunities
- Land rehabilitation
- Community well-being

- Progressive land rehabilitation strategy to return land to community in a timely manner
- \$2.3 million spent on KMAD projects
- Donations of 12,000 COVID-19 vaccines to communities
- Establishment of new three-year strategic plan
- Independent social baseline survey undertaken to understand impact of the Mine on its host communities over time

GOVERNMENT AND REGULATORS



Kenmare fully complies with laws and regulations applicable to it and we are focused on ensuring Mozambique shares in the benefits of the Moma Mine. Our proactive dialogue with national, district and provincial Government ensures 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



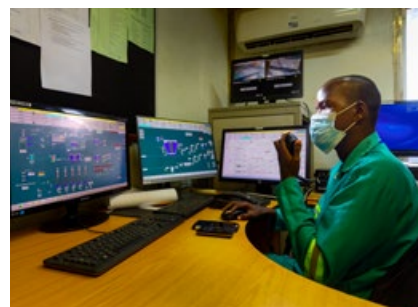
Our investors are Kenmare's owners and their continued support is critical to the business. They provide the capital to develop and expand our operations responsibly and sustainably and consequently, we need to ensure we continue to deliver a compelling investor proposition and meet our debt repayment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

- 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

- Increased dividend payout target relating to 2021
- New Climate Policy approved by the Board
- Inaugural Climate Strategy Report published in 2022
- Share buy-back programme, completed in December 2021
- Second Sustainability Report published

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

- Supplier Code of Conduct
- Supply chain compliance programme

MATERIAL ISSUES

IDENTIFYING AND UNDERSTANDING OUR MATERIAL ISSUES AND RISKS ARE KEY TO THE DEVELOPMENT AND DELIVERY OF OUR STRATEGY.

OUR APPROACH

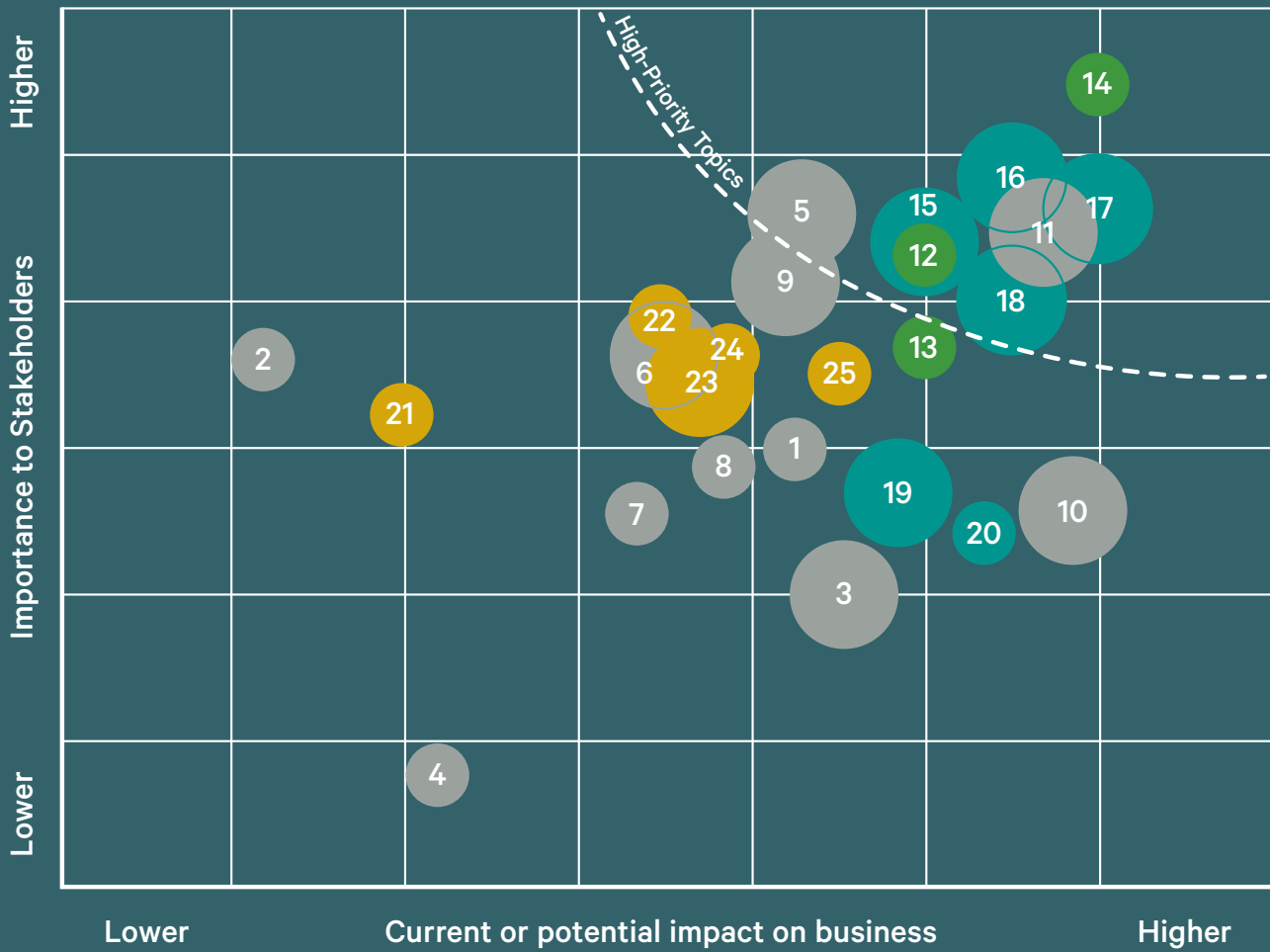
In 2020, Kenmare undertook, with support from an expert third party, a comprehensive materiality assessment to identify and understand the range of environment, social and governance (ESG) risks and opportunities relevant to our business from the perspective of our organisation and our stakeholders.

Our evaluation process draws on a wide range of stakeholder engagement inputs, including multi-stakeholder forums, interviews, surveys, bi-lateral meetings, and regular interaction throughout the year. Our stakeholder groups, as set out on pages 14 and 15, include employees and unions; communities; government and regulators; shareholders and lending banks; and suppliers, contractors, and customers.

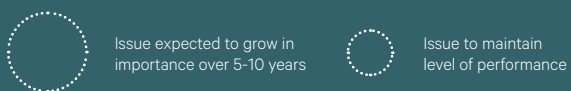
We also look at topics regularly reported on by our peers and various voluntary reporting frameworks referenced on pages 12 and 13. The issues identified have been considered primarily through a sustainability or ESG lens, instead of a financial or operational lens. This assessment enabled us to prioritise our most material topics and set KPIs for improvement.

We plan to refresh the full materiality assessment every three years. However, acknowledging that issues do not remain constant, our Executive Committee and Sustainability Committee reviewed the outputs of the 2020 assessment and reflected on the feedback from the extensive stakeholder engagement conducted throughout 2021. Consequently, we have updated the findings, based on our understanding of how the issues have evolved.





Future importance of issues



Issue categories

Environment

- ① Energy use
- ② Hazardous waste
- ③ Non-hazardous solid waste
- ④ Noise
- ⑤ GHG emissions*
- ⑥ Biodiversity and ecological impacts
- ⑦ Radiation
- ⑧ Tailings storage
- ⑨ Climate change
- ⑩ Rehabilitation and closure
- ⑪ Water stewardship

Our People

- ⑫ Diversity, inclusion and equal opportunities
 - ⑬ Labour practices
 - ⑭ Workforce health, safety and well-being
- Communities**
- ⑮ Socio-economic contributions
 - ⑯ Land use and food security
 - ⑰ Community relationships
 - ⑱ Security
 - ⑲ Land acquisition and resettlement
 - ⑳ Community health and safety

Governance

- ㉑ Product stewardship and assurance
- ㉒ Business transparency
- ㉓ Supply chain management and standards
- ㉔ Anti-bribery and corruption
- ㉕ Legal and Regulatory compliance

* Previously labelled Emissions and air quality

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.

In 2021, Kenmare developed a Sustainability Strategy, which built on our 17-year track record of sustainable development, and set out a longer-term vision with measurable 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 be learnt 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

- Workforce health, safety and well-being
- Security
- Diversity, inclusion and equal opportunities
- Localisation
- Labour practices
- Employee skills development

2025 targets

- Top quartile ICMM¹ TRIFR²
- Measurable reduction in prevalence of malaria
- 20% female representation in Moma Mine workforce
- Engaged workforce, as measured by survey and less than 3% voluntary turnover
- 95% of employees having a development plan and knowing what they need to do to ready themselves for their next position

See page 22 to read more about our **safety performance**

¹ International Council on Mining and Metal
² Total Recordable Injury Frequency Rate



Thriving communities

Mission

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

- Community relationships
- Socio-economic contributions
- Community health and safety
- Land use and food security
- Land acquisition and resettlement

2025 targets

- Increase in operating expenditure with Mozambique-based suppliers
- Positive measurable improvement in:
 - repayment of loans by micro-businesses
 - Number of students passing school Grade 3
 - Water quality at community boreholes
- Progress against relevant SDGs³ - see Sustainability Fact Book

See page 36 to read more about our **thriving communities**



A healthy natural environment

Mission

Create and sustain a positive environmental legacy

Overview

We focus on reducing GHG⁴ 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 natural environment and biodiversity includes our progressive rehabilitation programme, water use, and management of waste, air emissions, noise, and dust.

Material issues

- Climate change
- GHG emissions
- Energy use
- Water stewardship
- Rehabilitation and closure
- Biodiversity and ecological impacts
- Tailings storage
- Waste management

2025 targets

- Progress against short and medium term 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 re-use infrastructure. Complete alignment of WAF⁵ and accounting with ICMM guidelines
- No reportable tailings releases, no significant findings from six monthly audit

See page 45 to read more about our **environmental stewardship**



Trusted business

Mission

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)
- Protection of Human Rights
- Supply Chain management and standards
- Legal and regulatory compliance

2025 targets

- External Risk Assessment of ABC risks in business and supply chain
- 85% compliance of on-site suppliers with Sustainability Policies
- External Assurance of public security forces upholding the VPs⁶

See page 57 to read more about our **trusted business**

³ Sustainable Development Goals

⁴ Greenhouse Gas

⁵ Water Accounting Framework

⁶ Voluntary Principles on Security and Human Rights



SAFE & ENGAGED WORKFORCE



Kenmare recognises our employees are the cornerstone of our business. Our success relies on the people who work for us and their commitment to safety, talent development and engagement. In everything we do, we are guided by our Guiding Principles: - We Care, We Grow, We Excel, and our values, which describe the professional behaviours we expect: - Integrity, Commitment, Accountability, Respect, and Excellence (ICARE).

SAFE AND ENGAGED WORKFORCE

2021 PERFORMANCE

88% reduction in Lost Time Injury Frequency Rate (LTIFR)	✓
Roll out of THRIVE programme	✓
Implementation of Malaria Vector Control programme	✗
Achieved 12.5% female representation at Moma Mine	✓

2022 TARGETS

20% LTIFR improvement against a 3-year average (2019-2021)
Ongoing implementation of THRIVE programme
Implementation of Malaria Vector Control programme
13.5% female representation at the Moma Mine
Implement 2020 engagement survey actions and undertake second engagement survey

✗ Not Achieved ✓ Achieved

WORKFORCE HEALTH, SAFETY AND WELL-BEING

Safety governance

Effectively managing the health and safety risks inherent in our business is essential to protecting our employees and the communities in which we operate. We are focused on identifying, understanding, and controlling the risks associated with hazards in the workplace because we believe that everyone has the right to return home safe and healthy at the end of the day. Our core value of safety is articulated in our Health and Safety Policy, which clearly states our commitment to zero-harm, proactive management of safety risks, and maximising opportunities to enhance employee well-being.

This policy is supported by several health, safety and security standards, guidelines, operating procedures, and systems, which detail the accountabilities, mandatory controls, and minimum requirements for managing work-related and community safety and health risks. All these requirements apply to contractors undertaking work on behalf of Kenmare. Management provides detailed reports on our health, safety and security performance to the Board-level Sustainability Committee each quarter. The Board reviews all significant safety and health matters (e.g. fatalities and pandemics). To hold all staff accountable for prioritising safety, we incorporate safety and health metrics in our annual incentive plan for Executives and employees.

Kenmare safety performance

2021 was a record year for safety performance, with Kenmare achieving its lowest ever LTIFR of 0.03 incidents per 200,000 hours worked. This represents an 88% reduction compared to 2020 (0.25). We were also proud to achieve six million hours worked without a Lost Time Injury



HIGHLIGHTS

5-STAR
NOSA H AND S RATING
for 6th consecutive year

IMPROVED
SECURITY STRATEGY

27
FEMALE STUDENTS
SPONSORED

to study at Topuito Technical Training College each year

SAFE AND ENGAGED WORKFORCE



Read more about **COVID-19 management** on page 24



Read more about **security management** on page 25

Kenmare safety performance continued

(LTI) in November 2021 and one year without a LTI in early January 2022. This fantastic performance was attributed to two main drivers. First, improved hazard identification and risk assessment with the introduction and embedding of revised systems such as pre-task assessments. Second, improved leadership accountability for safety, including focus on safety coaching and upholding standards, delivered through Visible Felt Leadership (VFL) sessions.

Safety performance



In 2021, we had no work-related fatalities and one recorded LTI in January when a contractor fractured his finger. Despite this excellent record, Kenmare aims to continuously improve its performance and will seek to reduce the number of first aid treatment cases, Serious Potential Incidents and instances of damage to property.

Strategy and management approach

External audits

Kenmare's safety performance is externally assured by the National Occupational Safety Association (NOSA), a South Africa-based 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 sixth 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 safety equivalent of the Oscars. Notwithstanding this excellent performance, in line with our values, Kenmare seeks continuous improvement and in 2022 will work to address the areas highlighted by the NOSA audit which included: further improvement of management reviews of risk assessments; Take 5s; General Task Assessments and permits; and improving landfill operations.

Improving safety performance

Safe production of 1.2 million tonnes of ilmenite

"Safe 1.2" was an internal campaign launched at the beginning of the year, which became a mantra for all staff by the end of the year. Led by our General Manager and Heads of Department (HODs), with assistance from the EHS and Communications teams, the clear and simple message of the campaign is that safety is equal in importance to our ambitious production targets. Safety messages were communicated via banners, posters, the staff newsletter, T-shirts, and digital platforms, and 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 on site and to efficiently risk assess their safety behaviour in those different operational contexts. In June, the EHS team proposed a seventh rule, recognising the risk involved when heavy mobile equipment (HME) operate near mining faces. The development of this new golden rule is ongoing, and implementation will follow after the change management process and final approval.

FOOD SAFETY

Healthy and happy employees contribute strongly to a safe workplace and increased productivity. Quarterly hygiene audits were held by an external entity at the kitchen, canteen, and toilets. The NOSA audit highlighted significant improvements had been made with regards to food hygiene, which will be further improved in 2022.

Leadership

Throughout the year, the General Manager and HODs continued to run VFL sessions. This process involves extended team discussions on a weekly basis, to listen to employees' challenges, to promote a safe work environment and support employees to stop unsafe working practices.

VFL sessions were also cascaded to middle management. Actions and ideas to improve safety performance arising from these engagements were closely monitored and implemented.

In addition, the site leadership team held safety workshops and safety operational stand-downs to continually demonstrate the importance of safety to all staff and contractors.

Risk management

We continue to see the benefits of the various new risk management concepts rolled out previously and have also seen an improvement in the quality of risk assessments carried out in 2021 relative to 2020. This is one of the greatest factors in the reduction of serious incidents during the year. To further embed risk management, critical EHS audits are conducted daily, where the EHS team, accompanied by supervisors, scrutinise risk control measures across our workplaces.

Safety training, awareness and promotion

All staff participate in annual refresher training on safety and receive specific job and task-based training, for example for working in confined spaces, working at heights, etc. All contractors and visitors receive general Health, Safety and Environment inductions.

EHS officers and HR trainers participated in NOSA's "train the trainer" course, so that these nominated staff could provide good training techniques and improve the quality of our safety training. In addition, a full-time trainer was recruited to support annual refresher training for contractors. Awareness posters, banners and display screens were also posted in various strategic locations where employees meet, with various safety messages.

Contractor management

In 2021, an Internal Audit Consultant specialising in supply chain management and sustainability joined Kenmare to assess, support, and validate supplier HSE standards and compliance on-site. For further information on our supplier sustainability audits, including HSE performance, go to page 62.

Contractors are part of our zero-harm journey. We want them to understand our HSE standards and approaches, and also to benefit from their HSE expertise. During 2021, our site leadership team began engaging contractors on HSE, which positively impacted performance and led to a reduction in contractor incidents.

Emergency preparedness

In 2021, Kenmare's teams responded to emergency drills on time, following our procedures. An external risk insurance broker also audited our fire risk preparedness with positive feedback. To strengthen our emergency response resource, two qualified and experienced members joined our emergency response team. We also expanded operations with a light vehicle and replacement fire truck dedicated to responding to emergencies.

The team conducted various emergency response activities throughout the year including emergency drills, firefighting, training programmes, and fire equipment inspections. So that more of our staff can provide immediate support in the event of an emergency, an additional 78 first aiders were trained by an external service provider, bringing the total number trained to 1,080.

Incident management and near miss reporting

Incident management is an area of focus for continuous improvement of safety performance at Kenmare. All incidents were thoroughly investigated within timelines according to their criticality. Breaches of our golden rules and those with the potential to have been serious were shared with managers, and learnings were reviewed and communicated to all employees to raise awareness of how to avoid similar breaches in the future.

Learning from our own mistakes is fundamental for growth and progression, so we launched an initiative for employees and contractors to increase reporting of near misses. Most reported cases were addressed and resolved immediately; a minority of cases required further investigation before the learnings could be fully integrated.

Health and well-being

Kenmare's workforce is the Company's most valuable asset. Protecting the health and well-being of all employees ensures we are able to effectively sustain our operations and enable our people to return home safely every day.

SAFETY TRAINING

Over 13,400 hours of training and inductions focused specifically on safety and safe work practices were delivered in 2021. The focus areas of the training were:

- General health and safety induction
- First aid
- Safety management
- Risk assessment
- Manual handling
- Isolation and lockout
- Maritime safety

EMPLOYEE RECOGNITION

Every month a Kenmare employee is recognised by site leadership for their commitment to safety. This award is given to an employee who stopped an unsafe activity or condition that might have injured their workmates. Winners are recognised for their positive contribution in an internal newsletter and are given a voucher they can redeem in the camp shop.

Employees are also recognised daily when they proactively contribute towards a safe work environment. Site leadership awards employees with vouchers and they can also participate in a monthly Lucky Draw, where further prizes can be won.

SAFE AND ENGAGED WORKFORCE



Read more about **community health and safety** on page 40



Read more about **air quality and noise management** on page 55

COVID-19 response

During 2021, our employees continued to demonstrate their resilience to managing the pandemic and over the course of the year, the mine dealt with 1,200 positive cases. To mitigate the transmissibility of the virus, we introduced a range of stringent risk mitigation measures including on-site screening, social distancing measures, hygiene protocols and the wearing of approved masks.

Individuals testing positively for COVID-19 were required to self-isolate in the camp and released only with a negative PCR test result. The site is well-equipped to care for anyone with a suspected or confirmed case of COVID-19, including isolated accommodation and on-site medical support before evacuation to a hospital if required.

One of the primary drivers of COVID-19 reaching the mine was via rotator staff and consultants. In response, Kenmare further developed comprehensive COVID-19 testing strategies in 2021 through the implementation of testing at airports prior to arriving at site; COVID-19 site screening every two weeks; and establishing a bio-safety laboratory for onsite PCR testing.

Staff based in Maputo and Nampula in Mozambique, Dublin in Ireland and London in the UK adopted a pattern of remote working, coming into the office when local rules permitted.

Sadly, three colleagues with underlying health conditions at the mine succumbed to COVID-19 in 2021. Our condolences go to their families and friends, and we thank them for their service to Kenmare.

On-site medical clinic

At the Moma Mine, we have a dedicated occupational health clinic. Professionally trained staff assess and treat any injury that occurs on-site and are equipped to respond to any medical emergency situation that may arise. All employees participate in our occupational medical surveillance programme. The medical clinic provides access to primary medical care and we build partnerships with external health service providers to strengthen our health systems. In addition to occupational health management, the clinic also assesses and treats other infectious diseases, including malaria cases amongst employees and contractors on-site.

In 2021, Kenmare launched a new health education programme, called THRIVE, aimed at the prevention of communicable and non-communicable diseases and raising awareness about the importance of maintaining healthy lifestyles. During 2021, communication programmes continued to build understanding of HIV/AIDS and malaria, given the prevalence of these diseases in our region. Over 90 employees volunteered as Wellness Champions, whose role it is to promote awareness of diseases such as HIV/AIDS, malaria and other acute diseases. The COVID-19 global pandemic brought additional focus to health screening and response activities.

HIV/AIDS

In addition to the THRIVE programme, Kenmare ran focused HIV/AIDS awareness initiatives through a range of communication methods including toolbox talks, newsletter articles and informational posters displayed on site. Shirts printed with HIV/AIDS awareness messages were distributed to all employees, along with booklets and leaflets providing general information on prevention and positive living. Condoms are freely available to all employees at Kenmare. In addition to supporting our staff, KMAD volunteers continued with health education and awareness programmes in our host communities.

Malaria

Malaria continues to be one of the highest causes of death in sub-Saharan Africa. According to the World Health Organisation, 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 reduced in 2021, with 1,314 cases throughout the year, compared to a five-year average of 1,492. The number of workdays lost to malaria cases was 3,942, which compared to 4,476 for the yearly average between 2015-2020.

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 reduction in malaria cases within wider community. While the number of people getting tested for malaria symptoms increased by 27%, the prevalence of malaria among community members being treated at the health clinic reduced by 21%.

In 2022, Kenmare will conduct an epidemiological survey in partnership with an academic partner, to develop new tools and control and management strategies to strengthen malaria control and management programmes. This programme was delayed in 2021 by the impacts of COVID-19 on travel and liaison with government.

PRIORITISING HEALTH AND SAFETY

During 2021, we continued to take action to prioritise our people's health and safety and that of our host communities. This included the voluntary double vaccination of our workforce, with a 96% take-up, and donation of 12,000 vaccines to local communities. Kenmare entered a public-private partnership to purchase the vaccines and ran a communication programme on the prevalence of COVID-19. An effective roll-out plan was formulated which led to two doses being administered within six weeks. The vaccination was also made available to all spouses and contractors, funded by Kenmare.

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 force.

During the year, Kenmare's security strategy was reviewed with a renewed focus on people protection, theft mitigation and insurgency monitoring. In 2021, our security resources included over 170 employees and close to 20 contractors, who worked alongside the local police and national armed services.

Since June 2021, the number of security incidents decreased by over 50%, with November recording the lowest incident rate. There have been challenges, however, with the severity of threats and escalating violence used during attempted theft being a concern. The Voluntary Principles on Security and Human Rights (the VPs) were applied on all occasions where the use of force was required and the police criminal investigation services conducted a full civil investigation.

As part of our corporate commitment to security and the Mozambican public security forces, Kenmare invested in building external navy and police barracks. We also invested in the public security forces sea-based assets, commissioning a new navy security patrol boat.

This vessel will provide the navy with the capacity to patrol the waters around the jetty and transshipment vessel routes, significantly enhancing our sea-based operational security measures, whilst also mitigating potential insurgency risks.

CABO DELGADO INSURGENCY

Countering the armed militants, known locally as al-Shabab, has been an urgent regional and international priority for the Government of Mozambique. This follows attacks on Palma in northern Mozambique in March 2021 and the resulting devastation caused by death, displacement, and destruction of property.

Since 2017, some 2,500 people have been killed and nearly 700,000 people internally displaced by this insurgency. The Mozambique Defence Armed Forces and Rwanda Defence Force, supported by further troops from Southern African Development Community states, conducted offensives against local rebels and, since June 2021, have largely regained control over Cabo Delgado province. While distance, poor road infrastructure inland and limited sea-based resources limit the likelihood of the Moma Mine being a target, we remain vigilant to the threats posed by this terrorist movement.

Kenmare is enhancing our intelligence and the intent in 2022, as part of a broader communication strategy, is to establish a think tank, bringing together the private sector, government stakeholders, CSOs and NGOs to propose recommendations on the effective implementation of the VPs.



SAFE AND ENGAGED WORKFORCE

HUMAN RESOURCES

Our people are fundamental to our success as a business. 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.

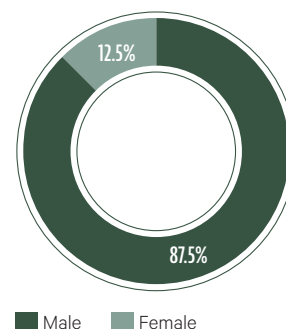
DIVERSITY, INCLUSION AND EQUAL OPPORTUNITIES

Kenmare believes diversity is a key driver of business success and our Diversity and Inclusion Policy sets out the standards by which we hold ourselves to account and those to which we expect our contractors and suppliers to follow.

Moma Mine Workforce diversity

2021 GENDER REPRESENTATION BY ROLE	FEMALE	MALE	TOTAL
Senior Management	4 (24%)	13 (76%)	17
Middle Management	4 (9%)	41 (91%)	45
Professionals/Specialists	21 (17%)	105 (83%)	126
Junior Management	11 (9%)	105 (91%)	116
Artisans and Maintainers	45 (10%)	419 (90%)	464
Operators and Assistants	109 (14%)	674 (86%)	783
Total	194 (12.5%)	1,357 (87.5%)	1551

Moma Mine gender diversity



FEMALE EMPOWERMENT

Educating communities on the potential role of girls and women through community radio.

In 2021, the "Voice of Topuito", the community radio station sponsored by KMAD, introduced a new programme called Rapariga Agora or "Girls Now". This programme airs debates and covers educational topics about girls' sexuality, education, and empowerment. The objective is to disseminate information and sensitise communities on the rights of girls and women and create a space for discussion and debate. This is aligned with a national campaign to sensitise communities to stop early child marriages that are common in rural areas, and promote girls' attendance at school. Radio topics also covered include KMAD community development projects and programmes.



Read more about [Kenmare's female talent](#) on page 28

During 2021, Kenmare's Board was made up of nine members, with female representation at 22%. Towards the end of 2021, we announced that Mette Dobel would join the Board on 1 January 2022, and Peter Bacchus would step down at the end of 2021. Andrew Webb was announced as Non-Executive Director and Chair Designate in December 2021. Current Chairman, Steven McTiernan remains on the Board until the Annual General Meeting (AGM) in May 2022 when he will step down after nine years of service. Following the AGM, Kenmare's female Board-level representation will be 33%.

Advancing women

Kenmare is challenged by a historical deficit of women in the mining industry and 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. Kenmare is working to address this challenge, actively seeking to increase the number of women in our workforce.

At year-end, 12.5% of our mine employees were women, compared with 10.6% in 2020. This represents steady progress and achieves our stretch gender diversity target for the year. In 2021, women represented 20% of the Executive Committee, up from 11% in 2020.

Kenmare also ensures that 70% of all Graduate Development Programme (GDP) candidates are women. GDP targets recent university graduates and participants are mining engineers, chemical engineers or finance and accounting graduates. High potential women are also identified for leadership development programmes.

In 2021, Kenmare also introduced a policy that all future open positions for heavy mobile equipment (HME) Operators should be filled by women and so far, 80% of newly recruited HME Operators have been women. This decision was taken for several reasons, namely that women have shown to be more cautious and careful HME operators; and are proving to have greater longevity in these roles, particularly if employed from the local communities, relative to their male counterparts.

To ensure a positive workplace experience for our female employees, the Company encourages networking groups, such as the Kenmare Women in Mining Forum, which was established in 2019 to give women employees a direct line of communication with management. The forum also provides a safe space where they can share advice and experiences and discuss any challenges they may face in the workplace. Kenmare's Women in Mining Forum was not able to meet quarterly during 2021 largely due to COVID-19 restrictions. However, in-person meetings resumed in November and some of the ideas discussed included:

- The potential to organise mother and child accommodation outside camp for new mothers returning to work;
- Access to a GP at the local health clinic, available for pre and post-natal consultations; and
- A mentorship programme in 2022 where they visit our host communities and speak to girls about pursuing careers in mining and encourage the next generation of women to gain further education.

Kenmare already provides maternity benefits beyond the statutory requirements for women at site and in Ireland.

Since 2019, Kenmare has sponsored a total of 80 female students to study at Topuito Technical Training College, built by KMAD in 2017. Encouraging female students to attend the college was a key focus, so Kenmare sponsors 27 female students on average each year to take the three year course, where they can obtain a Vocational Certificate - Level 5 qualification in either mechanical construction, electrics and industrial electronics, or civil construction. In 2022, the first round of sponsored students will graduate and Kenmare will support efforts to place interns either directly within our business or within our suppliers' businesses.

FEMALE STUDENTS SPONSORED BY KENMARE, STUDYING AT TOPUITO TECHNICAL TRAINING COLLEGE



Encarnação Pastola is 24 years old and has been a recipient of Kenmare's mechanical bursary for female students since 2019. She will complete her mechanical training course in mid-2022. She lives in Topuito with a local family, who are all subsistence farmers. Before joining the technical college, Pastola studied in Nampula where she completed her Grade 12 education. Her main ambition is to support her younger brothers and to continue studying. The Kenmare bursary helps her to pay for educational materials, photocopies, and food. From time to time, she also uses her bursary money to help the family she lives with. She says her challenge now is to continue learning and also start gaining some practical work experience. She enjoys studying the practices of safe working and she is thankful to Kenmare for the assistance she has received.



Aurora Mulota is 25 years old and has been a recipient of Kenmare's electrical bursary for female students since 2019. She is close to completing her studies. She is originally from Angoche and now lives in Topuito with her three brothers, whose main livelihoods are subsistence farming. Her ambition is to show other women they can do jobs that people in her culture usually expect to be done by men and to motivate them to embark on similar paths. She uses the Kenmare bursary to pay for printouts, internet service, exercise books, and uniform. She sees her main challenge as continuing with her studies at a higher level and also working. She enjoys reading, being with her family, and praying.



Read more about **KMAD's educational programmes** on page 40.

SAFE AND ENGAGED WORKFORCE

LOCALISATION

As a mining company based in Mozambique, localisation is fundamental to the way we do business, and helps us to maximise the positive local socio-economic benefit associated with our operations, build local skills and contribute to improving local livelihoods. Our approach includes:

- Hiring local people as a preference wherever possible, while adapting recruitment qualification thresholds to ensure a broad, inclusive pool of potential candidates
- Expatriates are required to support the development of local employees to transition into roles held by expatriates so that we can strive to create a workforce that is predominantly local at all seniority levels
- Identifying and implementing development plans for Mozambican staff
- Historically our focus has been on increasing the proportion of Mozambicans in our workforce, and having consistently exceeded the national regulatory requirements with 97% Mozambican representation, our revised focus is to increase representation of Mozambicans in our site leadership team and increase representation of people directly from the mine's host communities. Notwithstanding this goal, Kenmare is also keen to promote diversity of thinking and bring in new skills from outside of the country as we develop the business.

KENMARE'S MOZAMBIKAN FEMALE TALENT



"Kenmare supports women to progress their careers through professional development."

Daniela Muianga – Superintendent Environment

Daniela has worked for Kenmare for five years. She was initially hired as an Environmental Specialist in 2017, before taking on the Radiation Protection Officer (RPO) role and then promoted to Environmental Superintendent in 2021.

"I am very motivated in my work for Kenmare. I enjoy the ability to apply my expertise in the day-to-day role, as well as benefit from ongoing training and professional development. The training I have been exposed to includes being an acting superintendent before officially taking on my current position, while also concluding my Master's degree in the management of Safety Health Environment and Quality systems. I was also trained for my RPO role and undertook a Management Development Programme for new managers.

I believe Kenmare truly supports women to progress their careers. through professional development This is commitment is demonstrated by the targets to increase the representation of women within the workforce overall, as well as supporting women to take on leadership positions. I have recently come back from maternity leave, which is not without its challenges, but I have felt very supported by Kenmare's management team. Some of my career highlights include receiving two excellence awards and being named the Best Environmental Coordinator of the Year in 2019 and 2020 by NOSA."

Mercier Banze – Mining Senior Supervisor

Mercia has worked for Kenmare for almost four years, joining as part of the GDP, before being promoted to Shift Supervisor, Acting Dry Mining Superintendent, and now Mining Senior Supervisor.

"Kenmare keeps growing and excelling even in challenging times (COVID-19 and natural disasters) and I get to work on what I studied at university, Mining Engineering. The job is also very challenging; my job requires a lot of dynamism and ability to adapt to deal with change. The most challenging of all is to find a balance between career and social life since we live away from our family and our loved ones.

I am lucky to have been exposed to different experiences and expertise of mining through various managers and mentors, which has enabled me to learn and equip myself with knowledge. I have benefitted from training and development support as I've progressed my career. I have been exposed to senior positions, which provide me with access to information and tools which are helpful to understand the bigger picture of the business. As part of my training, I joined the Supervisor Development Programme and Internship Coaching Programme.

I strongly believe that Kenmare has a culture that supports the advancement of women, I am an example of this. I am in a development programme as part of a drive to improve gender diversity and women empowerment and I feel this support. The Company's three biggest departments: mining, MSP, and technical processing are managed by women, and the percentage of women in senior positions has increased. There is more work to be done to solidify this culture, but it is on the right path."



"The Company's three biggest departments are managed by women."

Moma Mine workforce

	2017	2018	2019	2020	2021
Total Mozambican %	93%	95%	97%	97%	97%
District/Provincial %	51%	52%	52%	57%	59%
Expatriates %	7%	5%	3%	3%	3%
Total Mozambican employees	1,335	1,422	1,488	1,485	1,551

In 2021, Kenmare's workforce at the Moma Mine included 1,551 employees and 968 contractors. Of our employees, 97% are Mozambican and 59% are from the local district or province. Of the Moma management roles (supervisor and above), 83% are held by Mozambicans, including the General Manager.



Read about [local procurement](#) on page 38



Read about [labour practices](#) on page 30



SAFE AND ENGAGED WORKFORCE



Read more about **Diversity** on page 26



Read more about **Technical training** on page 27

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 2021, the minimum standard wage for an entry-level position at Kenmare was more than double than that set by the Government of Mozambique.

We include maximum working hours in our conditions of employment and relevant procedures and adhere to laws relating to applicable wage, work hours, overtime, and benefits. Kenmare does not hire individuals under 18 years of age. Aligned with Kenmare's principle of "we care", all full-time employees enjoy a range of benefits, including healthcare, personal accident coverage, parental leave, retirement provision, and Company share awards for all management positions and positions of trust.

Kenmare respects the right of all 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. 52% of our Mozambican workforce are trade union members and a three-year collective bargaining agreement is in place to cover agreed annual salary increases, which will be renegotiated in 2022. Throughout 2021, we enjoyed positive labour relations with no industrial actions or disputes.

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 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. A new programme introduced in 2021, "Innership leadership development" has delivered significant improvements focusing on supporting our Heads of Department (HODs) to help them engage with their teams and improve accountability. It included components on: making coaching part of our leaders' culture; leaders' ownership of safety and their role modelling and responsibility of this key topic; and self-development.

Kenmare's commitment extends across all levels of the business with \$639,000 invested in more than 56,900 hours of training for our employees at the Moma Mine in 2021. This investment equates to approximately 37 hours of training per person, with the focus on safety, supervisory and leadership development, and specialist skill enhancement.

In 2021, supplementary training was provided for 128 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. In 2021, the programme was successfully completed with the training delivered to 15 electrical and 12 mechanical tradespeople.

Additionally, Kenmare's Training Personnel and Safety Officers participated in 'SAMTRAC', a comprehensive safety management course, as preparation for training in "Instructional Techniques In Safety". Developing these team members as certified trainers will further enable the provision of safety courses across the business.

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. In 2021, the Moma Mine placed a particular emphasis on leadership development with 100 people completing a new supervisor training programme, including newly appointed superintendents.

Engaged workforce

Kenmare's first employee engagement survey was conducted in 2020 and set a high bar, with 97% of employees registering high levels of overall engagement. However, in line with our commitment to continual improvement, in 2021 the site leadership team devised an action plan to address the areas for improvement raised in the survey. The two key areas were providing greater transparency on career progression pathways within the business and improving employee-supervisor relationships. To address the feedback around career progression, Kenmare is implementing a project called "Career Path Project", which will map every career path option for every role within the organisation and set out the training and experience required to progress to the next position. To support more effective employee-supervisor relationships, all managers will attend a leadership coaching programme, demonstrating that coaching provides a more effective and engaging style than authoritative direction. Kenmare will survey employees again at the end of 2022.

LEADERSHIP SAFETY COACHING

Supervisors participated in development training programmes aimed at equipping them with the necessary skills and knowledge to manage work safely at Kenmare.

Separately, a leadership programme was initiated, in partnership with an external consultancy, aimed at challenging the site leadership team to find new ways to improve how we conduct our business.

Senior and middle management personnel were also trained on the Incident Cause Analysis Method (ICAM), a tool used to investigate the root cause of incidents and put in place measures to prevent recurrence.





THRIVING COMMUNITIES

We value our relationships with our host communities highly and aim to maintain dialogue based on mutual trust and respect. Local people's acceptance of Kenmare's activities aids the success of our mining operations. Kenmare is committed to listening to our host communities' concerns and priorities, and constructively resolving any differences in a transparent manner.

THRIVING COMMUNITIES

2021 PERFORMANCE

Achieved annual procurement target in Mozambique
 93% delivery of the KMAD 3-year plan



2022 TARGETS

Kenmare and KMAD have a more comprehensive set of metrics and KPIs which are tracked. Go to the Sustainability Fact Book for more information.

6% increase in operating expenditure with local suppliers
 Additional 5 contracts with local suppliers
 Delivery of first year of KMAD 3-year plan (2022-2024)

Positive improvement on the following metrics:
 1) repayment of loans by micro-businesses
 2) number of pupils passing Grade 3
 3) water quality in community boreholes

✗ Not Achieved ✓ Achieved

Our community engagement and social performance programmes aim to minimise risk and use our presence to maximise social and economic opportunities for local people to share in the benefits of the Moma Mine.

Our work with our host communities focuses on proactive stakeholder engagement, upholding Mozambican law and IFC Performance Standards with regards to resettlement of project-affected communities, and growing socio-economic opportunities. Kenmare does this in three ways. First, our community team is responsible for engaging with communities and local authorities on Environmental, Social and Health Impact Assessments (ESHIA) associated with the future mine path, and any resulting resettlement action plans. Second, in addition to any regulatory requirements, Kenmare founded, funds and oversees the work of the Kenmare Moma Development Association (KMAD), a not-for-profit association established by Kenmare in 2004. KMAD designs and implements development programmes and projects in conjunction with communities, local authorities and often NGO partners, focusing on three core activities: livelihoods and economic development; healthcare development; and educational development. Third, Kenmare and KMAD engage continuously, providing feedback on their progress, monitoring results and keeping communities informed.



HIGHLIGHTS

\$16.8m
SPEND (OPERATIONAL)
 with local (Nampula province)
 suppliers (2020: \$13.8m)

12,000
COVID-19
VACCINATIONS
 donated to local communities

\$673k
REVENUES GENERATED BY KMAD
 sponsored entrepreneurs
 (2020: \$557k)

THRIVING COMMUNITIES



Read more about [Resettlement Action Plans](#) on page 42

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, 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.

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

KMAD's achievements over the last 15 years include:



LIVELIHOODS AND ECONOMIC DEVELOPMENT

- Investment of \$300k to establish 75 small businesses
- 100 local people involved in supplying goods and services to the Mine
- Provision of agricultural support and technical assistance to local farmers



HEALTHCARE DEVELOPMENT

- Provision of bursaries for nursing training to 35 local female students
- Drilling of 30 boreholes to supply water to ~24,000 people
- Two health centres in Topuito and Pilibili built and equipped providing treatment to 26,000 people
- Two ambulances donated



EDUCATIONAL DEVELOPMENT

- Construction of 73 classrooms and provision of 2,620 school desks
- 20,700 pupils have benefited from the schools constructed by KMAD
- Provision of 246 bursaries for secondary school education for local students



READ OUR KMAD REPORT 2021

Progress in 2021 and the final year of the latest 3-year plan

KMAD's achievements over the last 3 years include:



LIVELIHOODS AND ECONOMIC DEVELOPMENT

- 23 new businesses funded
- 72% increase in revenues from income generating projects to \$673k (2018: \$391k)
- 700 families participating in the Conservation Agriculture programme
- Vulnerable people supported in vegetable growing, egg production, grocery shops and native seed propagation projects



HEALTHCARE DEVELOPMENT

- 27 students passed the two-year course in Mother and Child Healthcare
- One ambulance donated
- Construction of a new maternity facility and pharmacy
- 5% increase in attendance at the health centre's outpatient department
- 60 elderly people provided with medical assistance at the mobile clinic
- 12,000 vaccines donated to communities
- 22,500 COVID-19 masks distributed to 6,600 households in Topuito
- Construction of Pivilivi Health Centre

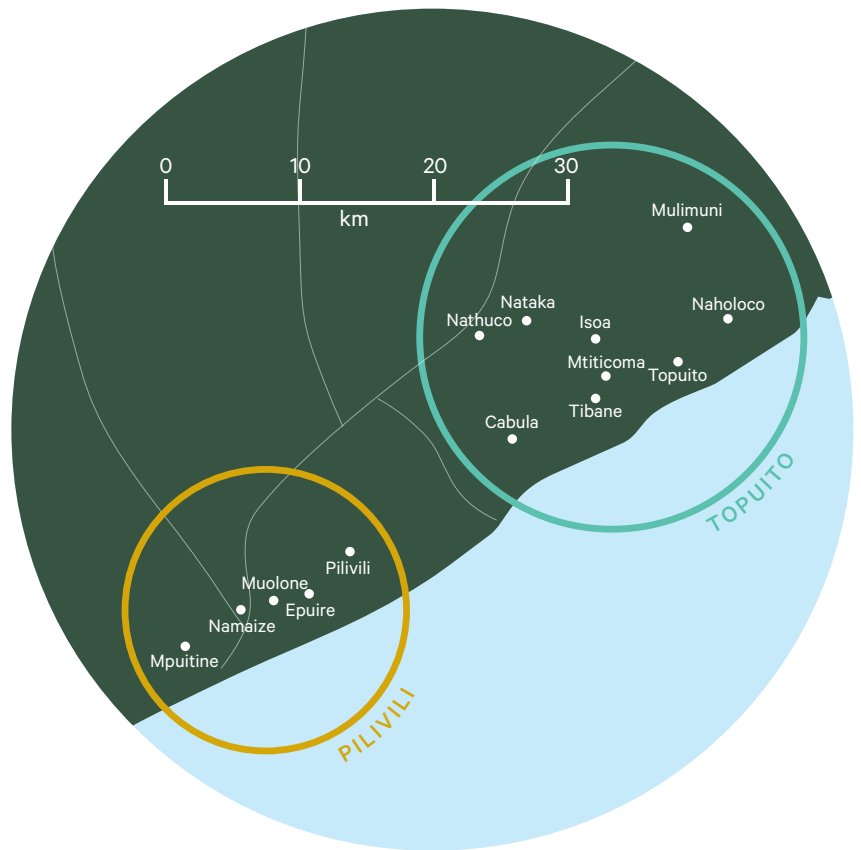


EDUCATIONAL DEVELOPMENT

- Four school blocks in Topuito (14 classrooms) built, benefitting almost 6,000 school children
- 945 school benches supporting an increase in school attendance
- Over 19,000 children provided with school materials
- Five university scholarships
- 124 secondary school scholarships
- Construction and equipping of a Technical Training College. In 2021, the centre enrolled 244 students, 34% are female students, all of whom receive a bursary from Kenmare to study

KMAD's development programmes are delivered in two areas: Topuito locality (which hold the Namalope deposit, where Kenmare has been mining since 2007) and Pivilivi, where mining began in 2020. Topuito locality is home to approximately 27,000 people from 6,000 families and includes the villages of Nathuco, Nataka, Mtiticoma, Isoa, Tibane, Cabula, Topuito, Naholoco and Mulimuni. In Pivilivi locality, the villages affected by Kenmare's mining operations house approximately 29,600 people from 6,700 families in the villages of Pivilivi, Epuire, Muolone, Mputini 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. Below is an overview of the achievements of the last 3-year strategic plan (2019-2021).



THRIVING COMMUNITIES



Read more about progress against the SDGs in the Sustainability Fact Book

KMAD 3-year strategic plan

In 2021, Kenmare worked with a third-party consultant to facilitate the development of the three-year strategic plan for 2022-2024. Various inputs were considered in developing the plan, including analysis of the execution of the previous KMAD plans; focus group consultations with our host communities, and a stakeholder roundtable with the Larde District Government, NGOs and KMAD to discuss the priorities identified by the communities. The new three-year plan builds on the important work undertaken in recent years, but there will be programmatic shift away from infrastructure building to capacity development of communities, teachers, medical staff, local authorities, and other key stakeholders involved in the delivery of KMAD's programmes. This is largely because significant investments have been made in prior years in the development of infrastructure, which now satisfies the communities' needs. In addition, water and sanitation has been identified as an area requiring focused attention and will therefore be made a fourth pillar of KMAD's key focuses.

KMAD will also work to take on board some of the learnings and opportunities for improvement identified from the delivery of the previous three-year plan, namely: securing greater commitment and engagement from local authorities on KMAD programmes; securing ownership from the beneficiaries of programmes from the outset in order to drive successful outcomes; improving the evaluation of the impact of KMAD projects; and linking more livelihood projects with opportunities in Kenmare's supply chain.

KMAD 3-year strategic plan overview (2022-2024)

STRATEGIC PILLAR	SUSTAINABLE DEVELOPMENT GOAL	KMAD METRICS TO ASSESS PROGRESS
LIVELIHOODS AND ECONOMIC DEVELOPMENT	  	<ul style="list-style-type: none"> Revenues generated by KMAD-supported businesses Direct/indirect participation in value chain Vulnerable people supported
HEALTHCARE DEVELOPMENT		<ul style="list-style-type: none"> People with access to healthcare provision Infant mortality rates Instances of HIV/AIDS, malaria Teenage pregnancies
EDUCATIONAL DEVELOPMENT	 	<ul style="list-style-type: none"> Literacy and numeracy rates among girls, vulnerable people and adults Children going on to higher education
CLEAN WATER AND SANITATION		<ul style="list-style-type: none"> Water quality (measured by bacteria levels) Community ownership for water quality

Social baseline study

Kenmare conducted the first Social Monitoring Report for the Namalope area in 2011. Since then, the studies were repeated in 2014 and 2017 in Namalope and then in preparation for the Pivivili development, a separate Social Monitoring Report was done in 2018 as part of the Environment, Social and Health Impact Assessment (ESHIA). During December 2021, the most recent study covering both the Namalope and Pivivili districts was undertaken, allowing for time-series and direct comparative analysis over the period Kenmare has been operating in the area. Village populations closest to the mine appear to be plateauing, potentially related to the mine entering a more stable phase of operations, with no requirement for the additional temporary labour required during the development phases. There has been a marked increase in female-headed households between 2017-2021, with qualitative interviews suggesting this is a result of an increase in divorce.

The local birth rate of 44 per 1,000 people is greater than the national average of 37 per 1,000. Infant mortality is also 58% higher than the national average, although it is difficult to make a true statistical comparison, as this includes cities and urban areas where the population has better access to medical support. The demographics show the relative representation of youth, with 60% of the population <18 years old compared to a national average of 45% <15 years old.

There has been a positive trend of school enrolment, particularly among girls, which has risen from 50% female enrolment in 2014 for 13–18-year-old girls to 78% in 2021. This is just 2% lower than the boys' school enrolment in the same age group, demonstrating a positive development towards gender equality. KMAD initiatives, which include the awarding of bursaries, were determined to have played a role in this.

In terms of livelihoods, most men are farmers and fishermen; however, there has been an increase in men stating that working for Kenmare is their primary occupation. A key source of income in the 2021 survey was from the sale of agricultural and related products, which when combined accounts for 65% of all claimed income. Women's primary occupation has remained consistent over the period, with farming, childcare, and food preparation listed as the main activities.

Securing land for farming is critical to sustaining household nutritional needs and income. The claimed number of agricultural plots in the 2021 review is consistent with levels in the 2017 review, and households have generally been able to retain land or secure new land. However, at odds with this data is the view in the 2021 survey that showed 12% of households have no claims to farmland, a significantly higher figure than the past three reviews. Potentially, these are people moving into the area with no prior claims to land or people with salaries purchasing food and having no need for machambas (farmsteads).

In terms of health, malaria remains the most prevalent illness experienced by the household and levels have remained high over the last 10 years. With respect to family planning, most people are still wary of family planning measures. While child marriages and pregnancies continue to be prevalent, there has been a decrease over the last three years as villagers, doctors and police have intervened in child marriages. Sanitation remains an area for development; nevertheless, there has been a significant increase in the number of villagers using pit latrines and corresponding decrease in the use of the bush, potentially indicating some success in the sanitation awareness campaigns KMAD has run over the past years.



Read more about [livelihood projects](#) on page 39



THRIVING COMMUNITIES



Read more about [supply chain management and standards](#) on page 62

SOCIO-ECONOMIC CONTRIBUTIONS

Kenmare supports the socio-economic development of communities and businesses locally and more broadly across Mozambique in two ways. Firstly, through Kenmare's Procurement Department, which is focused on developing a sustainable, resilient local supply chain and secondly, through KMAD's sponsorship of micro-businesses and entrepreneurs locally.

Local procurement

Throughout 2021, Kenmare continued to identify potential local procurement opportunities. These included supply and repair of gearboxes, water pumps, valves and filters by local suppliers, partly achieved through partnerships between international and local suppliers. Kenmare categorises suppliers as either international, national, or district/provincial. We have over 1,000 registered suppliers, 43% of which are Mozambique-based and 57% are international.

Procurement with Mozambican suppliers grew by 22% in 2021 to \$95.8 million (2020: \$78.2m) excluding fuel and electricity supply. However, as an overall proportion of spend within our supply chain, procurement with Mozambican suppliers reduced from 53% in 2020 to 49% in 2021 due to significantly increased spend with an international supplier, providing logistical support and shipment of our product.

Spend with suppliers from Nampula Province, where the Moma Mine is located, increased in 2021 by 22% to \$16.8m (2020: \$13.8m). This was due primarily to the significant increase in production in 2021, leading to increased maintenance requirements.

Kenmare is committed to building local supplier capacity and creating fairer competition through training courses and sponsorship so they may achieve relevant ISO certifications. Additionally, Kenmare unbundles larger contracts to enable greater opportunities for smaller companies to compete and requires international suppliers to seek local procurement opportunities as part of their delivery strategy.

Local supplier forum

To create awareness among existing and future suppliers about forthcoming procurement tenders and the standards that must be reached to successfully bid for contracts, Kenmare hosted two supplier forums in 2021. The forums were run as joint ventures between Kenmare; APIEX, the Investment and Export Promotion Agency; the Technical Training College; and the Mozambican branch of ABSA, a southern Africa-based financial services group. Government representatives included the government department of Trade and Industry, local government, and the National Business Association. Hosted in Nampula, to emphasise Kenmare's commitment to local development and to raise awareness among local businesses, the two events each drew over 150 existing and potential suppliers. In addition, Kenmare aimed to:

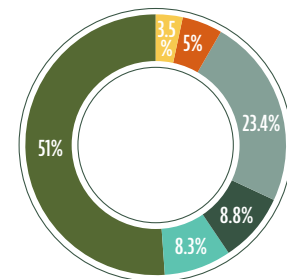
- Create awareness of our corporate policies, which we require all suppliers to read and confirm they will uphold;
- Report on the ongoing sourcing of suppliers for projects;
- Publicise the supplier registration portal, where existing and future suppliers can share their details and receive updates about new procurement tenders; and
- Recognise and certify the best performing suppliers.

Local supplier case study

Destiny Limited is a Nampula-based company that has supplied general goods and services, such as protective clothing and stationery as well as mechanical engineering services, to Kenmare since 2013. On average, Kenmare spends \$700,000 per year with this supplier. Over the years, Destiny has benefitted from many Kenmare-sponsored training programmes, including training on ISO certification procedures, finance, EHS, and quality control. Training has helped them to grow their business and secure loans and financing. In 2021, Destiny received the Kenmare certificate for the highest capital investment in 2021 (US\$78,000) and the highest number of jobs created at district level (17 local people)

“The training Kenmare provided was very helpful. Achieving an ISO9001 and 45000 certification will help us to uphold high standards of efficiency, production, and most of all, service, which will ultimately position Destiny for better long-term growth.”
Enoque Gadaga, Destiny's General Manager

Total procurement by category 2021



- Local districts
- Rest of Nampula
- Rest of Mozambique
- International
- Electricity - Mozambique
- Fuel - Mozambique

Livelihoods projects update

In 2021, KMAD funded 23 new micro-businesses and entrepreneurs, which generated a combined income of over \$673,000, providing employment or income to 376 beneficiaries. All of the businesses financed in 2021 were still operating by the end of the year. The typical timescale for repayment of loans is 12-36 months. Below are two examples of successful entrepreneurs.



Guest house in Mtiticoma

Mr. Amaral Paulo, a 49-year-old married resident of Mtiticoma and father to 12 children, was one of the first beneficiaries of KMAD's income generation project loans. Since 2007, Amaral has taken out and repaid three KMAD loans for different businesses. The first was an egg production business run by a small consortium. Amaral gained experience and an appetite for business and started looking for new opportunities. With the income from the egg production business and his savings, he built his own house out of conventional local materials and established a small grocery store. He then applied for a second KMAD loan and combined that with his own savings to construct a guest house in Mtiticoma. The guest house earnings quickly repaid the loan and funded the construction of a second house in Nampula city. In 2017, Amaral took out a third KMAD loan for the construction of a hardware store in Mtiticoma. Amaral's successful business ventures have enabled him to support three of his children through schooling. Amaral intends to build a second guest house in Mtiticoma to respond to demand.

"KMAD's support has helped me to grow my businesses significantly. The interest-free loan is easily accessible, relative to banking finance. Today I am considered one of the key businessmen in my neighbourhood. I've supported my children to study at university, I have a good home and I've learned how to run businesses."

Vegetable production

Rosalina Moma, or Lady Rosalina, as she is affectionately known, is a married 52-year-old mother to seven children from Topuito. In search of a stable source of income, in 2019 she applied for small-scale business financing from KMAD to grow vegetables.

KMAD provided \$350 of funding, which she used to buy seeds, watering cans and pesticides. With technical assistance from KMAD, Rosalina began growing tomatoes, cucumbers, peppers, lettuce and cabbages. She then scaled up her production and hired a permanent employee and four seasonal workers, creating employment for people in her community.

In 2020, having fully repaid the initial loan, Rosalina applied for a further loan of \$1,800, to build a water tank to help irrigate her field.

Rosalina's vegetables are sold to Kenmare's kitchen and local markets, generating an annual income of around \$5,600, which creates \$1,000 profit after labour and other costs. With this income, Rosalina can provide for her family, including paying for higher education for two of her children and improving her living conditions. One of Rosalina's children, who studied agronomy, will start an internship at Kenmare in 2022.



"The funding has changed my life. Previously I had many difficulties paying to support my children and put them through school. I am very grateful to KMAD for all the support it has given me. In 2022, I plan to start growing pumpkins and increase the land I farm."

THRIVING COMMUNITIES



Read more about [COVID-19 protection of Kenmare staff](#) on page 24

COMMUNITY HEALTH AND SAFETY

COVID-19 and community health

Kenmare is committed to supporting our host communities in the fight against COVID-19. During 2021, KMAD donated 12,000 vaccinations to the local communities. While initial take-up was slow, once the communities understood that Kenmare had double vaccinated its own staff, trust was built and take-up grew strongly. KMAD is providing ongoing COVID-19 awareness and education campaigns through community radio and volunteers disseminating information door-to-door in the villages.

Water and sanitation

Access to clean water has been a major focus of KMAD's programmes. Since its inception, KMAD has drilled 30 boreholes, supplying water to approximately 24,000 people. Previously, local women and children had to travel long distances to collect water from local rivers.

Sanitisation is another important focus and KMAD has been working with the Mine's host communities and local authorities to overcome sanitation-related issues over the last few years. One issue is the quality of water from the boreholes, some of which have tested to contain levels of nitrates, faecal coliforms, and iron levels above the 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 try and help solve these issues and find sustainable solutions. Local community Water Committees have been encouraged through government policy. They comprise community members who are responsible for the management and maintenance of water sources, in addition to promoting hygiene and sanitation in the community. Committees are typically organised into three subcommittees (Hygiene and Sanitation, Fund Management, and Operation Maintenance).

In 2021, Kenmare commissioned an independent third-party consultant to investigate the water, sanitation, and hygiene (WASH) issues in the Topuito and Pilivilil Localities. The recommendations of this study were to:

- Improve the capacity of the local authorities and communities to enable better planning, coordination, and implementation of WASH programmes
- Increase access and sustainability of the water services through:
 - The provision and rehabilitation of water infrastructure
 - Better management of water services by community-led Water Committees, potentially supported by donor funding and/or the private sector
 - Accountability of the Water Committees and improved capacity for regular maintenance of the water points and water systems
- Increase the capacity of the Water Committees.

Access to education and skills

In 2021, classes continued to be suspended due to COVID-19, and their resumption was conditional on the improvement of sanitary conditions in schools and homes. It was in this context that the Moma District Youth and Technology Education Service asked KMAD to rehabilitate the changing rooms of the Moma Secondary School's accommodation block, which houses 124 students, including 86 of KMAD's scholarship holders. KMAD financed the rehabilitation of the school's bathroom facilities and the works were completed during the year.

In 2021, KMAD invested in the construction and equipping of two schools in the Pilivilil communities of Caneia and Hori and fully equipped them with 350 school desks. KMAD also funded 12 secretaries and their office equipment.

QUARTERLY MOBILE CLINICS FOR VULNERABLE

Mussa Momade, aged 68, is from Nathuco and is married with two children. Mussa is one of the beneficiaries of KMAD's mobile clinic, which provides support to vulnerable people who would otherwise not be able to access medical support. Mussa had been suffering with serious sight problems for five years, making it difficult for him to move and meaning he was dependent on his family to get around. Mussa was diagnosed at the mobile clinic with ocular cataracts in both eyes and in February 2021 he underwent surgery at Moma hospital. As a result of this surgery, Mussa is more self-sufficient. He can see, move around freely and carry out his activities without needing anyone's assistance. Mussa thanks the district health services and KMAD for this help because it has given him back the motivation to live. He recommends to other elderly people to visit the mobile clinic to get their ailments diagnosed and treated.

Local farmer benefitting from Conservation Agriculture (CA)

Alberto Abudala is from Nathuco, in Topuito village. He is married and the father of seven children, as well as secretary for the Nathuco neighborhood. He has been participating in the Conservation Agriculture (CA) programme since 2012. Alberto comes from a farming family and, in the past, used traditional agricultural practices where the yield was poor. He was encouraged to participate in the CA programme because the KMAD agricultural extension technicians helped to teach him a lot from preparing the fields, seeds, and stopping the practice of uncontrolled fires. He learned that when the land is burned the soil becomes poor and it is better to leave the grass to fertilize the soil. Then when it rains, the covered field conserves more humidity and supports better growth and nutrients to the plants. In addition, crop rotation supports better production, and sowing in orderly lines increases the number of plants on the land.

After seeing the advantages in production, Alberto gradually increased his production and currently he produces 1.5 hectares of vegetables and five hectares of various crops such as cassava, rice, beans, peanuts, mucuna, sorghum and corn.

As well as producing food for his family, Alberto sells vegetables to Kenmare's camp and with the income, he has improved the house where he lives, bought a motorbike, and paid for his childrens' schooling.



Alberto thanks God for his life, the Government for supporting the programme, and KMAD for dedicating a team to teach him the techniques that have improved production and transformed his life and that of his family.

CONSERVATION AGRICULTURE (CA) HIGHLIGHTS

49%
INCREASE IN YIELDS

700
FARMS USING CA PRACTICES IN 2021

166
VULNERABLE PEOPLE PARTICIPATING

LAND USE AND FOOD SECURITY

Conservation Agriculture

As part of KMAD's livelihoods and economic development focus, KMAD's agricultural projects aim to address food security through the promotion of Conservation Agriculture (CA) practices, provision of agricultural technical assistance, and funding for the establishment of small businesses to help increase family incomes. KMAD's CA project continued in 2021 with the objective of transferring skills to local farmers that will enable them to sustainably increase their farm productivity, reduce crop disease, improve competitiveness and grow crops that were previously not viable in the area.

In 2021, 700 farmers participated in the CA project of which 78% were women. Farmers using CA methods benefitted from yields 49% greater than those using traditional techniques. The National Association for Rural Extension (AENA) was contracted to facilitate this project and continued to train the farmers by splitting their fields in two, with one side being farmed using CA techniques and the other side with traditional farming techniques. KMAD's agriculture projects enable local

farmers to access technical assistance, participate in training on seed production and product marketing, and connect with seed suppliers. As part of this programme, some farmers have also participated in the cassava "pass it on" scheme. Cassava is the staple food of northern Mozambique and a new variety that is resistant to disease is imperative to the security of supply. Under this scheme, farmers receive enough disease-resistant cassava to grow their own crops, and their surpluses are passed on to another farm as feedstock. Replication of this process will see wide distribution of the new cassava variety. Farmers are also being encouraged to diversify their farms to include more nutritious food crops such as beans, groundnuts and fruits.

The CA approach also supports native biodiversity and takes pressure off the need to clear land for farming by making the land more productive.

THRIVING COMMUNITIES

Read more about [legal and regulatory compliance](#) on page 63

Read more about [agro-forestry trials](#) on page 52

LAND ACQUISITION AND RESETTLEMENT

Kenmare conducts a comprehensive consultation process to involve our host communities and the Government in plans for our operations, which aims to identify and address any potential impacts. Before any new development project begins, an Environmental Social Health Impact Assessment (ESHIA) is undertaken by a third-party consultant. The ESHIA 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 2021, 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 ESHIA for Namalope and a new RAP. A land survey for Namalope West was completed in 2019 and then re-surveyed in 2021, which resulted in a 17% increase in the number of houses that were required to be relocated and eligible for compensation, as a consequence of organic population growth.

Separately, 2021 saw the finalisation of the RAP for the Pilivilil operations, which began production in 2020. The final homes were completed and compensation packages, which had been under negotiation during 2021, were finalised.

During the year, there were several grievances relating to crop compensation, which was deemed too low by some local community members. Kenmare uses Government prices as a guide for crop compensation. To provide a level of compensation which reflects inflation over the last two years, Kenmare is working with the Government to approve the updated price table, which was last updated in 2019.







A HEALTHY NATURAL ENVIRONMENT

We are committed to protecting the natural environment. We do this by setting challenging targets and monitoring our performance on a wide range of metrics, including the number of hectares of mined land we rehabilitate to return to host communities, water use, responsible waste management, and biodiversity protection. We also recognise the role and responsibility all businesses and governments must take in reducing global greenhouse gas (GHG) emissions and are exploring opportunities to reduce emissions from our already low carbon intensity operations.

A HEALTHY NATURAL ENVIRONMENT

2021 PERFORMANCE

- Identification of a Greenhouse Gas reduction target ✔
- Implementing a Climate Change programme aligned to Task Force on Climate-related Financial Disclosures (TCFD) ✔
- 198 ha of land rehabilitated, missing our target by 2 ha ✘
- Implementing a Water Accounting Framework that aligns with the International Council on Mining and Metals (ICMM) principles ✔

✘ Not Achieved ✔ Achieved

2022 TARGETS

- Implementation of RUPS delivering short-term emissions reduction of 12% by 2024, with 2% delivery in 2022
Progress energy efficiency projects
- 1) 154 ha of land rehabilitated
2) Successful execution of expanded agro-forestry and soil fertility trial
3) Update Environmental Management Plan (EMP) to create balance of biodiversity, food security and carbon sequestration
- Ongoing maturation of Water Accounting Framework in line with ICMM principles. Establish accurate current water reuse rate and set 2023 target to increase water reuse rate

We aim to adopt, develop, and promote good environmental practices across our business in line with the environmental laws and standards of Mozambique, and IFC Performance Guidelines (2012) in a manner appropriate to our operations. Kenmare's environmental policy outlines the Company's environmental management objectives including:

- Compliance with applicable environmental legislative requirements guided by good industry standards
- Striving to form partnerships with host communities and stakeholders, promoting environmental awareness and participating in the preservation of their environment, traditions, and values through regular community consultation
- Protecting and conserving biodiversity and sensitive environmental elements by reducing environmental impacts from mining activities.

Guiding principles for environmental management

The principles of pollution prevention, the precautionary principle, compliance with legal and adopted obligations, and continuous improvement are integrated into our planning, management systems and daily activities. Our Environmental Management System (EMS) provides comprehensive guidance for all personnel on the way we undertake our work and the processes in place to protect the environment, and is underpinned by:

- Conducting regular performance reviews and legal compliance audits, and acting upon the results to ensure compliance with national laws and Company policy
- The provision of adequate resources, staff, and training so that employees at all levels recognise and are able to fulfil their responsibilities
- Developing, maintaining, and testing emergency procedures in conjunction with relevant authorities.



HIGHLIGHTS

0.057
tCO₂e CARBON INTENSITY
per tonne of finished product (2020: 0.071 tCO₂e)

0.41M³
WATER USED
per tonne of excavated ore (2020: 0.57 m³)

1,370
ICURIA DUNENSIS
trees planted

A HEALTHY NATURAL ENVIRONMENT



Read more about [radiation management](#) on page 55

Environmental Management System (EMS)

Our EMS subscribes to NOSA Management System and is modelled on ISO 14001. The EMS sets out the detailed processes for the identification of environmental risks and implementation of action plans to mitigate the impacts of our activities. This involves monitoring to verify that applicable standards are observed, and where deviations are encountered, ensuring reporting and mitigation take place promptly. Senior management regularly report to the Sustainability Committee and the Board on the status of compliance with environmental and social obligations, with the aim of ensuring that the EMS is properly implemented and maintained.

External assurance schemes add value to our operations by verifying continued adherence to best practice. In 2021, we continued our focus on health, safety and environmental management and were audited by two separate external bodies: EIA Services and the NOSA, a South African-based external risk management company.

The EIA Services audit focuses on Kenmare's environmental practices to comply with the EMP and found no reportable incidents and overall significant improvement in environmental management on-site compared to previous years. Areas for further improvement included better segregation of waste in operational areas; further reduction of hydrocarbon contaminated soils for bioremediation; optimisation of potable water and sewage treatment plants to reduce Mozambican legislation exceedances; and better community liaison to reduce fires within rehabilitated areas.

The NOSA audit saw the Moma Mine retain its five-star status, the highest level, for the sixth consecutive year and also the "NOSCAR" certification. The NOSA certification supports our operations in ensuring understanding, compliance, monitoring and review of environmental management practices. Nevertheless, we will continue to make further improvements in canteen and kitchen hygiene, ensuring management review our health, safety, and environmental risk assessments, and permitting approvals and improving landfill operations. In 2021, there were no reportable incidents; however, the Mine did have one loss of control incident relating to a redundant radioactive object, which was deemed to present no environmental or safety risk. Further information on radiation management can be found on page 55.

CLIMATE CHANGE

We recognise that Kenmare has the ability and a responsibility to play a role in addressing climate change, alongside governments and investors. We acknowledge the human contribution to climate change and aim to decarbonise our operations; effectively manage climate risks; capitalise on opportunities associated with the transition to the low carbon economy; and help make our operations and host communities more resilient to the future impacts of extreme weather events. In 2021, Kenmare's Board approved the Company's ambition to achieve Net Zero on its Scope 1 and 2 emissions by 2040, which we intend to achieve through decarbonisation of our operations and offsetting hard to abate residual emissions.

In 2021, Kenmare has reported in alignment with TCFD's recommendations, and our full disclosures are captured in our Climate Strategy Report. In 2020, Kenmare set out its first Energy and Climate Strategy, which was further developed in 2021. This strategy, set out in summary opposite, was developed with oversight from the Board. The Board delegates accountability for decarbonisation and climate risk mitigation to the Executive Committee via appropriate Sustainability/ESG targets, which incentivise performance through remuneration-linked KPIs.

As part of our TCFD reporting, Kenmare tested the resilience of our business against a 2°C temperature warming pathway and this analysis demonstrated we are well-equipped to mitigate the anticipated physical risks. Extreme weather events have been identified as a principal risk for Kenmare since 2008. They present a risk to the safety of our staff and contractors; physical damage to our operational assets; and financial impact on our ability to mine and ship product to customers. Cyclones and tropical storms present the most severe physical climate risk to Kenmare's mining operations. Kenmare has experienced several extreme weather events since operations began. Our constant weather monitoring and regular emergency response exercises, as well as financial mitigation controls, including insurance cover, demonstrate we mitigate against this risk as far as is possible.

We also evaluated our management of risks and opportunities relating to the transition to the low carbon economy, and those connected to policy, regulations, technology, markets, and reputational issues. We see the highest priority risk as investor pressure on their portfolio companies to commit to Net Zero and subsequent demonstration of progress towards that goal. We also see several opportunities, including our low carbon operations, that position us well to market our products to climate-conscious customers. Additionally, a small but growing use of our products in low-carbon technologies including nuclear, geothermal, bioenergy and solar may lead to some increased demand.

CLIMATE CHANGE

NET ZERO
AMBITION BY 2040
(SCOPE 1 AND 2)

12%
EMISSIONS
REDUCTION BY 2024

> 90%
ELECTRICITY FROM
HYDRO-ELECTRIC SOURCE

Climate strategy

DECARBONISING OUR OPERATIONS

- Continue to invest in and source clean energy
- Review low-carbon technologies and invest when commercially viable
- Increase operational energy efficiency, reducing diesel consumption
- Investigate integration of carbon offsetting through land rehabilitation

GOVERNANCE, RISK MITIGATION AND TRANSPARENCY

- Embed mitigation of climate change risks in our strategy, decision-making, and capital allocation
- Stress-test operations to ensure resilience to different climate scenarios
- Review the responsiveness of our business strategy to evolving climate-related transition risks and opportunities
- Transparent reporting

ALIGNING WITH AND SUPPORTING GOVERNMENT CLIMATE GOALS

- Align with relevant Mozambican Government plans to implement the Paris goals
- Increase local communities' capacity to prepare for and respond to climate risks
- Improve farming techniques to support food security
- Protect biodiversity and promote local tree planting

GHG EMISSIONS

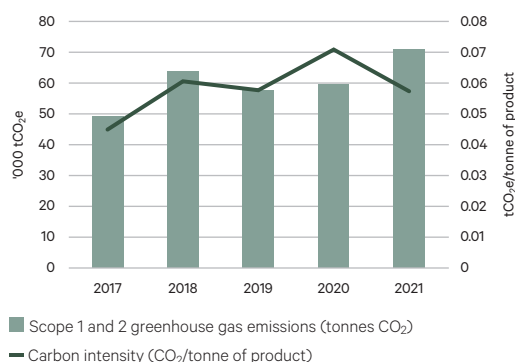
Kenmare's Scope 1 and 2 emissions for 2021 were 70,437 tCO₂e, which represented a 18% increase (2020: 59,521 tCO₂e) largely due to increased diesel consumption associated with higher production and additional reporting of fugitive emissions associated with refrigerant and air conditioning gases as well as petrol and LPG. Diesel consumption was 9% higher in 2021 at 24 million litres of diesel (2020: 22 million litres of diesel) largely due to higher consumption by the MSP delivering a 46% increase in finished products compared to 2020. Carbon intensity, at 0.057 tCO₂e per tonne of mined product reduced by 20%, demonstrating some efficiencies in the emissions intensity of our operations.

We have begun accounting for our Scope 3 emissions and currently report against the six categories of: Purchased Goods and Services, Business Travel, Employee Commuting, Upstream and Downstream Transportation, and waste disposal. However, the most significant category of Scope 3 emissions will be from the processing of our products downstream, which we will begin measuring in 2022. In 2021, our Scope 3 emissions were 104,203 tCO₂e, which compared to 76,903 tCO₂e in 2020. The increase was due to higher emissions from upstream and downstream transportation, reflecting the higher volumes of product shipped in 2021.

In 2021, Kenmare's Board approved the Company's ambition to achieve Net Zero on its Scope 1 and 2 emissions by 2040, through decarbonisation of our operations and offsetting residual emissions, which are hard to abate. In 2021, we made progress on the Rotary Uninterruptable Power Supply (RUPS), an NPV positive project delivering security of energy to our mineral separation plant as well as associated diesel and carbon emissions savings. RUPS will be commissioned in the first half of 2022. Its full benefit in terms of emissions saving is during the period of December to March each year; therefore, the first full calendar year of emissions savings will be delivered in 2023.

When Kenmare considered the development of the RUPS project in 2020, it was anticipated to deliver a 15% reduction in diesel and associated emissions. The fundamentals of the RUPS project have not changed; however, since we initiated this project Kenmare's production profile and associated diesel consumption has grown and therefore the contribution of RUPS to reducing emissions will be 12%, delivered by 2024. Achieving an overall emissions reduction will, however, be dependent on reliable supply of energy by EdM outside of the rainy season.

Scope 1 and 2 emissions (absolute and intensity)



READ OUR CLIMATE STRATEGY REPORT 2021

Read about our full TCFD disclosures

A HEALTHY NATURAL ENVIRONMENT

TARGETS

Kenmare has set the following targets as part of our refreshed Climate Strategy. We commit to transparently reporting progress against these targets on an annual basis.

SHORT-TERM (UP TO 2025)	MEDIUM-TERM (2026-2035)	LONG-TERM (2036-2050)
<ul style="list-style-type: none"> • 2021: Externally assure Greenhouse Gas emissions (Scope 1, 2 and 3) • 2021: Align disclosures to recommendations of TCFD • 2022: Set a GHG reduction target (Scope 1) of 12% by 2024, relative to 2021 • 2022: Complete measurement of Kenmare's Scope 3 emissions • 2023: Align Kenmare's change in land use monitoring to new GHG Protocol guidance • By 2025: Set out Kenmare's vision with regards to carbon sequestration and biodiversity goals for rehabilitated land • By 2025: Identify technologies that could displace diesel consumption in our key operational equipment 	<ul style="list-style-type: none"> • Execute technologies, which have been identified as economically viable to displace diesel consumption in our key operational equipment • Identify technologies to displace all other sources of diesel consumption (HME, Light vehicles) • Integrate carbon sequestration measurement as part of rehabilitation plan • Map opportunities for carbon reduction in the supply chain/ value chain 	<ul style="list-style-type: none"> • By 2040: achieve Net Zero ambition (Scope 1 and 2) • Demonstrate Kenmare has influenced the decarbonisation of its supply and value chain (Scope 3 emissions) to the extent possible

We are also investigating additional, incremental energy efficiency projects, with 70+ initiatives identified to date. Four projects have been identified for further study and implementation in the next 12-24 months including better monitoring and controls on diesel consumption from our Heavy Mobile Equipment and reducing moisture from the product on the MSP belt filters, requiring less energy to dry the product later in the process.

Looking ahead to Kenmare's medium-term emissions profile, studies are ongoing to establish the energy source and method for the mining of the Nataka ore body, anticipated to begin in 2025. The higher levels of slimes in this ore body, and greater distances from the MSP will create a higher energy demand for the mine. If economically feasible, we will use low-carbon energy sources and mining methods.

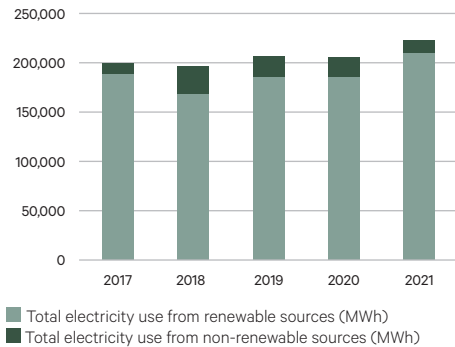
To meet our long-term ambition of Net Zero by 2040 (Scope 1 and 2) we are committed to researching and investing in low-carbon technologies, to enable us to reduce, as far as possible where economically feasible, our operational emissions.

Kenmare reports its GHG emissions in line with the GHG Protocol. During 2021, Kenmare matured its reporting processes and made several further inclusions into the scope of its reporting. Additional sources of Scope 1 emissions included fugitive emissions from refrigerant gases. Kenmare cannot yet report waste from its owned and operated landfill site as landfill and recycling protocols are being improved. Furthermore, Kenmare's emissions data relating to land clearance have been temporarily removed, as we work to align our reporting from this emissions source with new GHG Protocol guidance from the WRI and WBCSD.

ENERGY USE

Total energy consumption in 2021 from all sources of energy including diesel consumption for heavy mobile equipment, transshipment vessels and light vehicles; grid energy from Electricidade de Moçambique (EdM); Dublin office energy; petrol and LPG was 451,489 MWh.

Electricity from renewable and non-renewable sources



Kenmare continues to source most of its electricity from hydropower and supplements this with electricity from diesel powered generators. Total electricity used during 2021 was 223,188 MWh (2020: 206,900 MWh), of which over 90% was renewable energy supplied by EdM provided directly by the Hidroeléctrica de Cahora Bassa (HCB) dam. The increase in energy use in 2021 can be attributed to higher levels of production relative to 2020.

WATER STEWARDSHIP

We recognise water is a vital shared resource and incorporates important social, ecological, and economic value. 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.

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, water 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.



A HEALTHY NATURAL ENVIRONMENT



Read more about [community water and sanitation](#) on page 40

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. Any water release into surface water systems is via "finishing ponds" to ensure that fine suspended solids settle prior to the water being released.

Kenmare's water stewardship strategy guides our operations to ensure management of operational water-related risks, continuous improvement of our water requirements and water reuse opportunities, continued 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:

- 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 groundwater modelling to measure the current and projected operational water demand and to characterise the surface water and ground water systems
- Impact mitigation – to mitigate environmental and social impacts associated with the extraction, use and discharge of water and to enhance water use opportunities
- Operational performance – the site wide water balance is used to manage water as an asset, through improved performance and compliance with all commitments
- External engagement – to collaborate and engage externally on water policy, management, and challenges in Mozambique to create shared value
- Internal collaboration – to ensure coordination across all water management areas of the business.

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 currently extracts water from the local Namalope

aquifer via groundwater bores, Lake Mavele, which was created by Kenmare for mine water supply, and the Mualadi River. We undertake continuous monitoring and assessment of sustainable abstraction volumes, including monitoring of groundwater, and surface water level flows and quality in the aquifers, wetlands, estuary and streams. Sewage treatment plants are in place across operational areas and discharged water quality is routinely monitored to ensure water safety and compliance with our EMP.

Separately, Kenmare, through KMAD, supports access to clean drinking water and improved sanitation for our host communities. Water and sanitation are a priority for KMAD and consequently, have become a new strategic focus of the KMAD 3-year plan.

ICMM alignment

We believe transparent disclosure is critical for meaningful stakeholder engagement and to drive improved water stewardship across the industry. In 2021, Kenmare's water balance reporting and water accounting framework (WAF) was reviewed by The University of Queensland's Sustainable Minerals Institute for alignment with the "Towards Sustainable Mining" initiative established by the Mining Association of Canada, ICMM and the Global Reporting Initiative (GRI). Overall, the level of data and reporting on water balance reporting is good, but some gaps remain to achieve full compliance with the Minerals Council of Australia and ICMM reporting requirements, which Kenmare will set about addressing in 2022. By further maturing our WAF, we aim to achieve a better understanding of the current rates of water recirculation. Improvement targets will be set when we have a more accurate accounting of our current water reuse rate.

Performance

In 2021, Kenmare used 16.8 mega litres (ML) of water and our efficiency rate was 0.41 m³ water per tonne of excavated ore, a 28% improved efficiency compared to 2020 (0.57). Water abstraction for our Namalope and Pivilivi operations was in line with our regulatory water withdrawal limits in 2021. Training regarding water abstraction was provided to operational staff during the year to assist with understanding and ensure compliance with the requirements of the Company's EMP.



Looking ahead to 2022, Kenmare plans to implement several water management strategies, which will help optimise water utilisation.

These include:

- Improved water utilisation at Wet Concentrator Plant (WCP) B
- Implementing drains to intercept seepage losses, supporting greater reuse
- Increased water recirculation of water at WCP B and C through the growing use and capacity of finishing ponds
- Inspection and elimination of water leaks from water supply infrastructure.

REHABILITATION AND CLOSURE

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, as well as appreciating the biodiversity characteristics of our local operating environment. Our Namalope and Pilivilil concessions total ~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. 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.

Mine rehabilitation

Our progressive rehabilitation involves a patchwork of alternative land uses, pre-agreed with local authorities, 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. Although the Moma Mine has a long life of 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 2021, we rehabilitated 198 ha of land, close to our target of 200 ha. This included the planting of indigenous trees, which supports biodiversity restoration and 22 ha of 52,000 casuarina trees – a future potential commercial forestry crop.

BIODIVERSITY AND ECOLOGICAL IMPACTS

The Pilivilil ore zone has a Biodiversity Management Plan (BMP) and Aquatic Ecosystem Management Plan (AEMP), which detail measures to minimise impacts to the biodiversity and in particular its wetland and estuary features, with the goal of achieving no net biodiversity loss. Our Biodiversity Offset Quantification Report, which Kenmare commissions third-party experts to research and compile, quantifies the extent of any loss of natural habitat due to mine infrastructure so that appropriate biodiversity offsets can be calculated if required.

In 2021, monitoring of the Biodiversity Management Plan took place. Additional sampling data was collected to supplement the original data captured in 2020, to determine the initial baseline conditions for the project area and to review trends to determine whether the Mine is impacting the terrestrial fauna and flora of the area. This will be repeated in 2022, after which the Biodiversity Monitoring Plan will determine the final list of species to monitor. To date, preliminary results show the key impacts are associated with local communities clearing areas for farmland. The dunes, unlike the wetlands, have a low nutrient content and produce crops with low yields. Similar to the wider district, cassava, a staple subsistence farming crop, is being planted on the dunes.

Kenmare also commissioned a botanical specialist to record the co-ordinates of a variety of plant species, including those of special concern, allowing seeds to be obtained during the appropriate time, propagated at the Mine's nursery and used in rehabilitation specifically at Pilivilil. Propagated plant priority species included *Icuria dunensis*, *Brachystegia oblonga* and *Warneckea sessilicarpa*. No alien plant species have been recorded within the affected Pilivilil areas.

CONSERVING AND RESTORING *ICURIA DUNENSIS*

Icuria dunensis is a tree species endemic to Mozambique and is listed as Endangered on the International Union for the Conservation of Nature's Red List. Kenmare's Pilivilil and Namalope deposits also fall within the Primeiras and Segundas Archipelagos Protected Area which was declared a protected area by the Mozambican government in 2012. Within Kenmare's concession lives a 220 ha of forest of *Icuria dunensis*, which has been excluded from the mining area but which is under threat from deforestation by the community. During 2021, Kenmare continued its work in partnership with the National Conservation Agency (ANAC) and the National Agrarian Research Institute (IIAM) to establish the *Icuria* Forest as a Conservation Area for Sustainable Use. In addition, we continued our work to restore and conserve the *Icuria* forest adjacent to our operations in Mulimuni. Kenmare is a member and the private sector representative on the Primeiras and Segundas Archipelagos Protected Area Management Committee, which is working to establish the *Icuria* forest as a Community Conservation Area. Work is ongoing to:

- Demarcate the natural limits of the Mulimuni *Icuria* forest, in Namalope
- Promote natural regeneration – as part of this, Kenmare's rehabilitation team planted *Icuria* saplings
- Assess the status quo of the *Icuria* forest and collect seeds for propagation
- Assess the ecological status of the *Icuria dunensis* forest. Kenmare sponsored a survey by Mozambique's Eduardo Mondlane University to research this.

A HEALTHY NATURAL ENVIRONMENT

Read more about [Conservation Agriculture](#) on page 41

At Pilivilil, several aquatic ecosystems are affected by the Mine, which are important to monitor and manage, in terms of how these ecosystems will respond to an altered landscape topography and changes to hydrology, sediment, and water quality characteristics and dynamics. The Pilivilil monitoring report highlighted several areas of concern, and a remediation plan is currently underway to address these. A further independent audit of the AEMP will be undertaken in 2022 to ensure they have been addressed. Specialists familiar with Pilivilil's aquatic ecosystems helped to install hydrological monitoring equipment in the Mualadi River and monitored the data. Monthly water monitoring confirmed surface water abstraction from the Mualadi River in 2021 was just over 1 million cubic metres (m³), lower than the 3 million m³ annual abstraction allowed under the AEMP. Monitoring showed short periods where the volumes exceeded the weekly abstraction allowance because water supply from the Namalope boreholes had been compromised due to vandalism. However, on average, the abstracted volume is well below allowable thresholds. The AEMP's monitoring requirements will be reviewed in 2022, taking into account data obtained in 2021.



AGRO-FORESTRY TRIALS

In partnership with the National Agrarian Research Institute (IIAM), Kenmare is working to promote the sustainable use of natural resources, preserve biodiversity and the environment, through research and dissemination of good practices. Kenmare and IIAM's partnership is focused on improving rehabilitation and conservation outcomes in the local area of the Moma Mine. IIAM uses syntropic agriculture, one of the agro-forestry practices, which aims to encourage community involvement in the conservation and restoration of ecosystems, ensuring that elements of local diversity and species ecology are integrated into food production systems. The aim of the agro-forestry trial was to increase the balance between native species and food crops through community participation with planting programmes and crop trials. In early 2021, IIAM and Kenmare supported five demonstration fields of the syntropic agro-forestry system, involving 51 agricultural producers, organised into five community groups.

INCREASING BIODIVERSITY

In 2021, an additional 16 new native species, propagated in Kenmare's nurseries, were introduced in the rehabilitation process, complementing the current five species. Community members were also trained by IIAM on seedling production techniques, nursery management and seed collection and storage. Kenmare invested in improving the community nursery facilities, working conditions and seedling quality. Community nurseries, initially sponsored by KMAD, sold close to 44,000 native trees to our rehabilitation operations in 2021 generating revenues of over \$100,000.



A HEALTHY NATURAL ENVIRONMENT



Read more about **risk management** in our Annual Report on pages 64-71

GLOBAL DATABASE OF TAILINGS STORAGE FACILITIES

The Church of England Pensions Board Investments group has called 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

TAILINGS STORAGE

Tailings are residues created as part of mining processes and Tailings Storage Facilities (TSFs) are structures built for the purposes of storing material not containing one of our products from the mining process. The design of a TSF is one of the biggest decisions in the development of a mine. 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's operations do not currently require TSF involving the construction of raised containment embankments, which are the highest risk form of TSF from a geo-technical perspective.

We take a risk-based approach to the management of our TSFs. Our Tailings Management Standard and Procedure currently adheres to the Mozambican National Regulation for Tailings Dams and we are adapting our standard to also align with International Commission of Large Dams (ICOLD) Tailings Dam Safety standards. In 2022, Kenmare will also

review alignment of its current operations with the Global Industry Standard on Tailings Management (GISTM) and will report on the findings of this review and steps to work towards alignment. Any future TSFs associated with new ore bodies will be designed in alignment with the global standards from the outset.

Internal risk management protocols include risk-focused surveillance systems and processes, internal geotechnical risk reporting, and tailings and water management meetings. In addition to our internal geotechnical controls, Kenmare implements an annual external audit with NOSA CMB 253 EHS integrated management system which is in line with best practice guidelines. Geotechnical auditing of TSFs is undertaken by internationally reputable geotechnical specialists.

Kenmare's TSFs are regulated, permitted and have been managed for many years to comply with local laws, licences, and other requirements. Kenmare identifies geotechnical risk as a principal risk, and therefore actively manages it through our site and corporate risk registers.

WASTE MANAGEMENT

Kenmare is committed to minimising the environmental footprint associated with our waste management. We generate process waste in the form of tailings sand and slimes; organic waste from on-site catering, offices, and the accommodation village; hydrocarbons from machinery, plant and vehicles; recyclable materials including plastic, paper, metal and glass; and effluent, which is managed by on-site sewerage treatment plants. We continue to focus on minimising waste generation and encouraging waste segregation at its source.

At the Moma Mine, in 2021 we focused on reducing waste, separation of waste at the source, appropriate deposition of non-recyclable materials, and responsible management of landfill. Reclamation of recyclable materials resulted in the diversion of 570 tonnes from landfill (2020: 115 tonnes). The remoteness of our operation combined with limited options for processing of recyclable materials in our region remains a complex challenge. As a result, we are currently storing recyclable waste until a recycling partner and transportation process has been identified.

Hydrocarbons are removed from site and over the reporting period, 120,000 litres of used oil was transported to a licensed facility in Beira and 35 tonnes of hazardous waste was deposited in the industrial landfill at Maputo.

The Moma Mine has a landfill facility, however, it has yet to become fully licenced and operational. This is because it is awaiting repair of the non-inert lining material, which prevents the leaching of material into the underlying soil or water table. Its repair is a priority for 2022. In the meantime, waste is being temporarily stored next to the landfill. Kenmare generated 307 tonnes of non-recyclable and organic waste during 2021 (2020: 207 tonnes).

Sewage treatment plants have been provided for the MSP, WCPs, and accommodation village. Effluent quality at the sewage treatment plants is routinely monitored to ensure compliance with licence conditions. Treated effluent from the WCPs are discharged as part of tailings, providing additional nutrients to reshape sand dunes after mining. In 2022, the Moma Mine will continue to progress waste management strategies, including further reducing single-use plastic water bottles and exploring sustainable recycling solutions.

Radiation management

Monazite is a rare-earth mineral contained in the Kenmare mineral product suite, which contains naturally occurring radionuclides. Kenmare's radiation management plan ensures 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. Notwithstanding our strong control processes, in October 2021, a redundant low-emitting radioactive gauge was accidentally dropped into the WCP A mining pond. Divers attempted to recover the source; however, the gauge sank into pond basement slimes and was not recovered. The National Agency of Atomic Energy and International Atomic Energy Agency were informed, and Kenmare continues to engage with these regulators to determine how the redundant gauge should be dealt with. In the normal course of events the source should be recovered; however, given the gauge is both at the end of its life and its radiation transponder window is closed, it presents no environmental or safety risk. In addition, the recovery of the gauge at such a depth under sands and slimes would be impractical and the land will be rehabilitated shortly after mining operations cease.

Air quality and noise management

Kenmare's air monitoring programme measures particulate matter (PM) at multiple locations on-site monthly to ensure the Mine is in line with emissions 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 conducted monitoring of PMs less than 10 micrometres in diameter (PM10) and less than 2.5 micrometres in diameter (PM2.5) based on the latest evidence on the effects of PM to health.

Air emission monitoring data was interpreted based on the adopted IFC interim 24-hour average target (IT-2) of 100 grams per m³ (g/m³) for PM10 and 50 g/m³ for PM2.5. The 24-hour average results for PM10 and PM2.5 air emission monitoring at Namalope registered 0.7% exceedances (of 153 measurements) for PM10 and 5.8% exceedances (of 155 measurements) for PM2.5; and Pilivilil registered 21% exceedances (of 190 measurements) for PM10 and 8.6% exceedances (of 185 measurements) for PM2.5. Pilivilil villages along the purpose-built road between the Namalope and Pilivilil operations registered high and recurrent levels of dust for PM2.5. This was due to dust generated by the trucks transporting HMC from Pilivilil to the MSP. Continuous road watering and casuarinas planting was conducted to prevent dust spreading. In addition, the utilisation of the pumping system to transport HMC from Pilivilil to the MSP will reduce traffic on the haulage road. NO₂ and SO₂ monitoring is conducted annually and there have been no exceedances of the compliance limits.

Noise monitoring equipment is used on-site to ensure that ambient noise levels do not exceed the World Bank noise standards. Workplace noise levels are also monitored and managed according to the Mine's operational EMP. Surveys conducted in 2021 revealed that the excessive noise detected in some villages surrounding the Mine is not related to Kenmare's operations, but instead is attributable to community sources such as motorbikes, loud music and community socialising.



TRUSTED BUSINESS



Kenmare's Board-level Sustainability Committee oversees the Company's sustainability performance at the highest level, supported by the Executive Committee and site leadership Team. Kenmare is committed to responsible management and oversight of our operations and business activities, which we see as essential to mitigating risk and creating long-term value for all our stakeholders.

TRUSTED BUSINESS

2021 PERFORMANCE

Completed next phase of supply chain compliance audits	✓
Implemented tactical security plan	✓
Demonstrated security practices are in conformance with the VPs through training of internal security forces	✓
Developed and published Modern Slavery Statement	✓

✗ Not Achieved ✓ Achieved

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. 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.

Sustainability governance

Sustainability and safety are integrated into all levels of the business, with key objectives outlined in our policies, standards, and incentive plans.

SUSTAINABILITY COMMITTEE

The Board's 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.

Elaine Dorward-King, the Committee's Chair, has a long and distinguished career developing and implementing sustainable development, health and safety and environmental programmes in the mining, chemical and engineering consulting sectors. Elaine served as the Executive Vice President of Sustainability and External Relations for Newmont Mining Corporation (Newmont) and spent 20 years at Rio Tinto, where she held a variety of leadership roles including Managing Director of their mineral sands operation, Richards Bay Minerals, and Global Head of Health, Safety and Environment.

The Committee's other members are 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, and Graham Martin, who is a former natural resources Executive with a

2022 TARGETS

100% of on-site suppliers audited against sustainability questionnaire
Implement security strategy
Demonstrate security practices are in conformance with the VPs through training of external security forces

wealth of relevant Executive and Legal expertise, having served as an Executive Director and General Counsel at African-focused Tullow Oil for approximately 20 years.

The Committee meets five times a year 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 their respective committees.

KENMARE MANAGEMENT

Primary responsibility for the daily implementation and management 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. The Head of Sustainability is responsible for the development of the Company's sustainability strategy, ensuring compliance with external benchmarks, guidelines and standards, and tracking and reporting on our environmental and social performance. 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, Safety and Environment (HSE) Manager, Security Manager and Supply Chain Manager, have responsibility for sustainability-related programmes.

HIGHLIGHTS

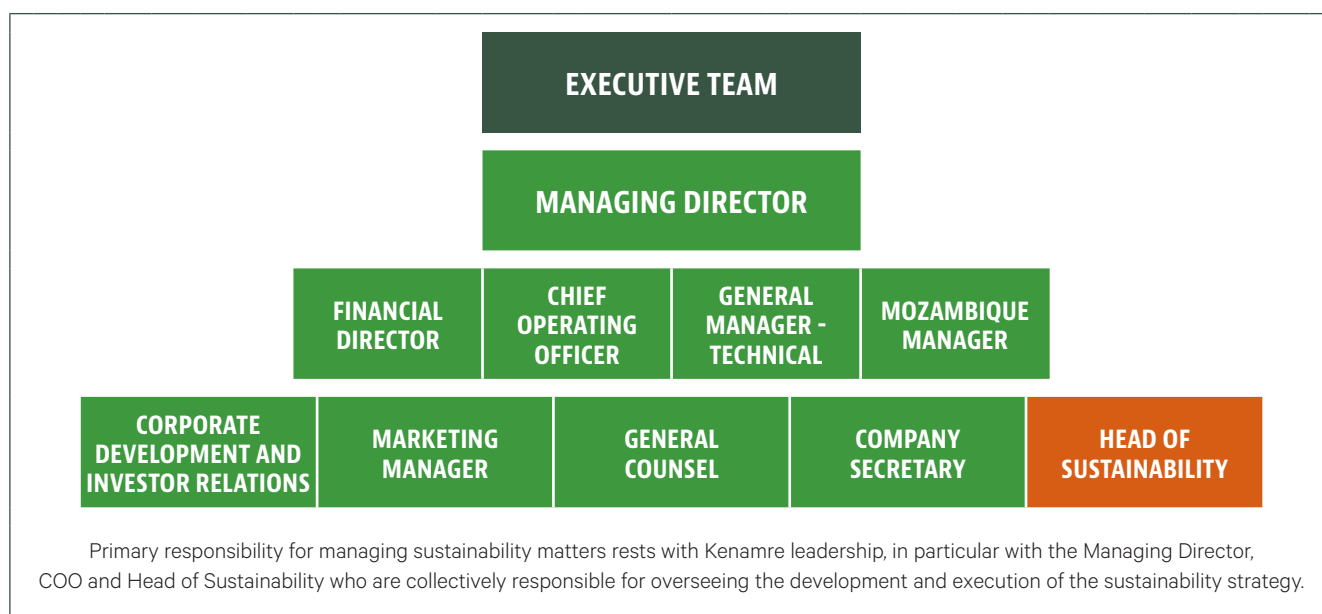
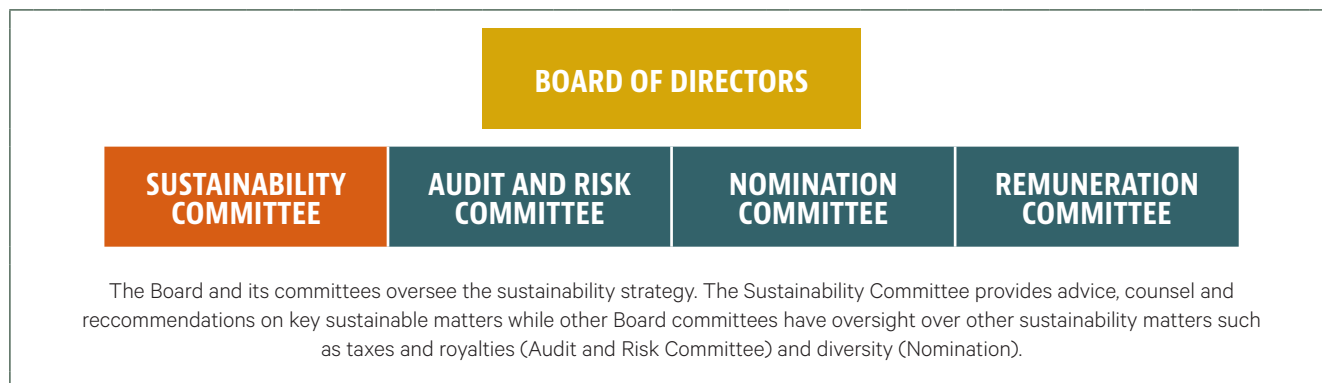
47%
MOMA SUPPLIERS SCREENED
 against sustainability standards

33%
FEMALE REPRESENTATION
 on the Board*
*post-2022 AGM

80%
MOZAMBIKAN-BASED EMPLOYEES
 trained in Human Rights, Business Ethics and Anti-Bribery and Corruption policies

TRUSTED BUSINESS

SUSTAINABILITY GOVERNANCE



 Represents sustainability throughout our operations

Performance-based compensation

Management and senior employees are held accountable for the delivery of our sustainability targets through the Company's performance incentive programme. 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 2021, safety, health, and sustainability metrics represented 25% of the "Company Scorecard" and the remaining 75% were based on production, financial results, project execution and COVID-19 management. Further information on Executive Director and Board of 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 cover: Business Ethics; Community Engagement and Investment; Environment; Freedom of Association; Health and Safety; Stakeholder Engagement; Anti-Bribery; Diversity and Inclusion; Employment (Labour Rights); Human Rights; and Whistleblowing. These policies state the minimum requirements for employees and those acting on behalf of Kenmare's business interests for conducting business honestly, ethically and in the best interests of Kenmare. The Board approved a new Climate Policy in 2021 and a Supplier Code of Conduct in early 2022, summarising the key requirements of our policies for suppliers.

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 UK and Irish law and with the EITI, Kenmare discloses the payments it makes to governments on an annual basis and has been doing so since 2017. 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. 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 on a quarterly basis. 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 www.kenmareresources.com.

Breakdown of payments to

Governments, US\$'000	2017	2018	2019	2020	2021
Mozambique					
Mining royalty	2,833	2,933	3,180	3,627	4,200
Industrial free zone (IFZ) royalty	1,517	2,553	2,423	2,437	4,663
Payroll taxes	6,998	8,378	8,446	6,921	9,971
Corporation taxes			2,310	5,748	6,156
Withholding taxes	978	1,077	716	1,124	1,082
Licences	12	3	83	570	388
Total	12,338	14,944	17,158	20,427	26,460
Ireland					
Payroll taxes	2,262	2,739	2,678	2,495	2,628
Corporation taxes	5	4	7	267	128
Total	2,267	2,743	2,685	2,762	2,756
UK					
Payroll taxes	154	163	207	302	524
Total payment to governments	14,759	17,850	20,050	23,491	29,740

* excludes payroll taxes

TRANSPARENCY

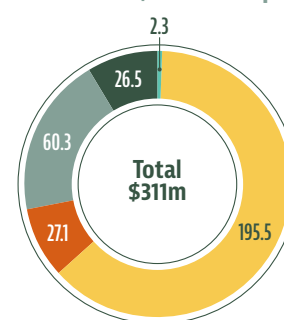
\$27m
IN WAGES AND BENEFITS
in Mozambique (2020: \$25 million)

\$26.5m
PAYMENTS
to Mozambique government
(2020: \$20.4 million)

\$311m
ECONOMIC VALUE*
distributed in Mozambique (2020:
\$335 million)

* Economic value includes operating costs, employee wages and benefits, capital spend, payments to government and community investment in Mozambique

Economic value distributed, Mozambique (\$)



- Operating costs
- Employee wages and benefits*
- Capital spend
- Payments to government
- Community investment

* excludes payroll taxes

TRUSTED BUSINESS



Read more about [business transparency](#) on page 59

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's business activities both in Ireland and in Mozambique are bound by Irish law, including the Criminal Justice (Corruption Offences) Act 2018. We also comply with Mozambican law on countering bribery and corruption. 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 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 2021, we received three cases via our confidential whistleblowing line, Safecall, two of which were escalated and are being further investigated. The third whistleblowing case, which was not further investigated, related to a disputed late payment of a supplier invoice, which was resolved soon after being raised. Neither of the two cases which have been escalated to an investigation in 2021 have yet been substantiated, with the investigation of both cases still ongoing due to delays outside Kenmare's control.

2021 Ethics investigations	Total
New issues captured in third party whistleblowing line	3
Total number of issues investigated (substantiated and unsubstantiated)	2
Total substantiated cases	0*
2021 Nature of ethics matters opened	
Concerns about corruption	2
Total	2

*Investigations ongoing



Read the [Board Sustainability Committee Report](#), on pages 96-97 in our Annual Report

KENMARE NAMED MOST TRANSPARENT COMPANY BY CIP

Kenmare has been named as the most transparent company in Mozambique by the Centro de Integridade Pública (CIP) Extractive Industry Transparency Index for the second consecutive year.

The objective of the index is to increase the amount of publicly disclosed information on the extractive sector in Mozambique, in a regular, detailed and timely manner. The CIP assesses companies on the quality of their public information in the areas of tax, governance, social and environmental aspects, and on their degree of openness with host communities. In 2021, Kenmare launched a Portuguese version of the Company website to assist further with transparency of information.



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 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 prohibit any kind of discrimination. Our rigorous recruitment and pre-employment vetting process, combined with our whistleblowing facility, gives us confidence that there is a very low risk of slavery or human trafficking in our own operations. In the event human rights breaches are caused, we will implement appropriate sanctions.

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. 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 Loan 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

Kenmare is a supporter of the UN's Voluntary Principles of Security and Human Rights and upholds the principles by providing annual training on the Voluntary Principles and their application to managing the security of our operations.

We also engage with our public security forces on the Voluntary Principles and in 2021, Kenmare consulted with them on the application of the UN's rules of engagement and principles of peacekeeping. At the end of 2021, we were in the process of renegotiating two updated MoUs, which will reinforce the public security forces' commitment to upholding the VPs and from 2022, provides for external training and assurance of their understanding of the implementation of the VPs.

TRUSTED BUSINESS



SUSTAINABILITY AUDIT KEY FINDINGS

90%

MOMA SUPPLIERS

with active contracts, confirmed adherence to Kenmare policies

29/62

ON-SITE SUPPLIERS

audited to demonstrate evidence of adherence to Kenmare policies

12

ON-SITE SUPPLIERS

progressing on capacity building programmes to close gaps



Read more about [local procurement](#) on page 38

SUPPLY CHAIN MANAGEMENT AND STANDARDS

The Moma Mine has over 1,000 registered suppliers, 43% of which are businesses located in Mozambique and 9% are from the province in which we operate. Such a diverse and dynamic supply chain has inherent risks. There is also an increasing expectation that businesses actively combat some of society's most pressing issues, such as human rights abuses and climate change, and we recognise that our ability to meet these expectations requires a greater understanding of our suppliers and their activities. Our Supplier Code of Conduct sets the minimum standards of responsible business conduct expected from those wishing to do business with, or on behalf of, Kenmare. Suppliers are expected to adhere to our Supplier Code of Conduct and ask their own subcontractors and suppliers to seek adherence to it.

Kenmare pays particular attention to the role of our contractors in upholding our strong health and safety approach and we require all contractors to participate in the same safety training as our employees and adhere to our operational safety standards. Any contractors or visitors to site receive a sustainability induction and are required to comply fully with Kenmare's safety requirements.

We proactively communicate with the Moma Mine suppliers who we have active contracts with to confirm their adherence to our policies and sign a declaration that they have no conflicts-of-interest. We also extended and enhanced our sustainability evaluation and audit process. We have 62 suppliers, located at the Moma Mine, providing goods and services. These suppliers were prioritised for audit, as they are deemed highest risk given their direct exposure to and influence over our operations. They were each asked to complete a sustainability questionnaire covering questions on the topics of: Health and Safety; Environment; Human Rights; Anti-Bribery; Business Ethics; Diversity and Inclusion;

Freedom of Association; and Whistleblowing. Those suppliers deemed higher risk (determined by the nature of the service provided and contract value) 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.

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. Capacity building programmes have begun with suppliers to ensure they can adhere to our policies. The remaining 33 suppliers who are not based at site will be audited in the first half of 2022.

During the year, Kenmare launched a supplier pre-registration portal, targeted at local suppliers interested in working with Kenmare. Through the portal, suppliers can register online and read and confirm support and adherence to our policies. From 2022, suppliers who are awarded tender offers will go through a further forensic audit to ensure their business is financially viable and upholds strong business ethics.

We also launched a process for the screening of Kenmare suppliers using an international third-party database, which looks at issues relating to sanctions, politically exposed persons, criminal convictions, and adverse media coverage.

In addition to the Supplier Code of Conduct, new initiatives for 2022 include providing training and holding Moma suppliers to account for their role in proactively managing their own supplier's conformance to our policies. Additionally, we will be revising our Gifts and Hospitality policy and procedures as part of our work under our Anti-Bribery and Business Ethics Policies.

LEGAL AND REGULATORY COMPLIANCE

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'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.

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. Third-party audits of our safety, health and environmental management systems are conducted annually by the National Occupational Safety Association (NOSA). The providers of the Group's external debt also receive an external review report from specialist consultants on our reporting of environmental, social, health and safety matters. In 2021, for the first time, our greenhouse gas emissions data was independently assured by a third party.

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 commitments have been implemented. During 2021, Kenmare submitted regular Pilibili 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.



Read more about [Sustainability governance](#) on page 57 and 58





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