



RESPONSIBLY MEETING GLOBAL DEMAND FOR QUALITY-OF-LIFE MINERALS

SUSTAINABILITY REPORT 2023

This report sets out Kenmare's strategy, policies and management approach to the Company's longstanding and on-going commitment to sustainability.

Kenmare's approach to sustainability is underpinned by its values and the Company's 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. It is 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. Kenmare mines titanium-rich sands, mainly using dredges that float in artificial ponds, removing 3-5% of material mined, and separating it into its constituent minerals. The post-mined land is then progressively rehabilitated before it is handed back to the local community. Once the minerals are separated, the final products are transported to ocean-going vessels from the Mine's dedicated port facility.

This report should be read in conjunction with Kenmare's policies, the **2023 Sustainability Fact Book**, the **2023 KMD Annual Report**, and the **2023 Annual Report and Accounts**, available online at: www.kenmareresources.com.

Safe and engaged workforce



Kenmare works to keep its people safe and engaged, while respecting their labour rights, as this is key to being a successful business. Extensive health and safety, security, diversity and localisation programmes help to make Kenmare a great and safe place to work.

► **Read more about the Company's safety performance on page 21**

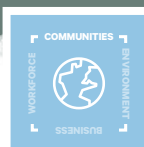
A healthy natural environment



Kenmare is a temporary custodian of the land that is mined. The Company works to restore the land and hand it back to communities after mining. Kenmare recognises its responsibility to address climate change by reducing its carbon emissions and to restore the biodiversity on the post-mined land.

► **Read more about climate on page 45**

Thriving communities



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

► **Read more about KMD on page 32**

Trusted business



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

► **Read more about sustainability governance on page 58**



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SUSTAINABILITY COMMITTEE CHAIR'S STATEMENT



**“THREE MILLION HOURS
WORKED WITHOUT
A LOST TIME INJURY
IS A SIGNIFICANT
ACHIEVEMENT, MADE
POSSIBLE THANKS
TO THE DEDICATION
OF LEADERS AND ALL
EMPLOYEES, WHICH I
COMMEND THEM FOR.”**

ELAINE DORWARD-KING
CHAIR, SUSTAINABILITY COMMITTEE

2023 WAS A UNIQUE AND CHALLENGING YEAR FOR KENMARE, THE MINING INDUSTRY, AND THE WORLD.

In 2023, Kenmare experienced serious electrical outages following lightning strikes which impacted production; began preparations for the next stage of ore body development; and continued to deal with the inflationary headwinds following major conflicts in different parts of the world. Notwithstanding these challenges, I am proud that sustainability matters continue to be firmly rooted into the strategic thinking and planning of the Company. As well as the threats that must be managed, we also look for the opportunities sustainability brings with improved resilience, stronger relationships with our communities and a significant economic contribution at a local and national level in Mozambique.

Safety

2023 was a year of two parts in terms of the Company's safety performance. Our Lost Time Injury Frequency Rate (LTIFR) overall increased to 0.15 following a couple of years of industry-leading performance. This represented a 25% increase relative to the Company's three-year rolling average. While none of the Lost Time Injuries sustained were serious or life threatening, they pointed to insufficient focus being placed on risk management by leaders. Mid-year, the site leadership team recommitted itself to demonstrating authentic and courageous leadership of health and safety, with a strict focus on planning and increasing the time dedicated to on-site training and coaching. Valuable lessons were learned, and a successful reversal in the number of accidents has been achieved, with three million hours worked to the end of February 2024 without an LTI. This was possible thanks to the dedication of leaders and all employees, which I commend them for and encourage them to strive for each and every day.

Diversity and localisation

Notwithstanding the challenges of operating in the mining industry, which has historically been under represented by female talent, the Company continues to make solid progress against its gender diversity goals. Women employed at the Mine now represent close to 16% of the workforce, a fourfold increase over eight years. Some of this growth has been achieved through a growing workforce, but much through concerted efforts and programmes focused on hiring, developing, advancing and retaining our female talent. Kenmare is proud that more talented women joined the site-senior management team at Moma in 2023, bringing our female representation in that group to 40% (2022: 25%). Female representation on the Board remained at 33% and 18% on the Executive Committee.

To maximise the opportunities for local communities in our workforce, we also track employees recruited from the districts of Moma and Larde, where our mining

operations are located. Our local employment rate has also been steadily increasing and now stands at 37% (2022: 34%). As well as creating valuable employment opportunities for community members, this creates a wider economic impact when those employees spend part of their salaries locally. Casting the net wider, almost two-thirds of our employees are from Nampula province and 97% are from Mozambique.

Biodiversity and land management

Mining, by its very nature, impacts the environment and alters ecosystems. We are committed to protecting the natural environment, through avoiding direct impacts where possible and minimising and offsetting impacts where not. In 2023, the Sustainability Committee participated in a strategic in-depth discussion on biodiversity and the Company's response to the Global Biodiversity Framework's goals and the biodiversity conservation goals of the Mozambican government. Kenmare is on a journey to define its No Net Loss and 15% Net Gain strategy across its operations. A Biodiversity Offset Management Plan (BOMP) will focus on increasing the reintegration of biodiversity into our land rehabilitation plans and setting aside areas of conservation to achieve No Net Loss overall and 15% Net Gain of endangered and endemic species. The success of the BOMP's execution will require the support of communities who depend on the land for their livelihoods. Strong engagement and consultation, as well as efforts to grow awareness of the benefits of biodiversity, will therefore be an important element of our approach. For long term success, the importance of biodiversity for prosperous communities in a post-mining landscape must be widely understood.

Supply chain due diligence

Kenmare's ability to maintain responsible operations is entirely dependent on every business and individual along our value chain acting responsibly. Our teams work with on-site suppliers and those deemed high-risk to align with our risk assessment and due diligence practices. In 2023, our audited suppliers, which represent 50% of overall company spend, achieved an 84% alignment with Kenmare's Supplier Code of Conduct. In the year ahead, our audit will move beyond supplier commitment as evidenced by policies, to demonstration of strategy and performance management. As we raise the bar, we hope to see continued strong alignment from our suppliers.

Tailings management

Kenmare is preparing for a new phase in its tailings management, when the Isoa Tailings Storage Facilities (TSF) becomes operational in 2025. Whilst we have always managed our tailings paddocks with stringent risk-based methods, this will be the first permanent TSF and presents greater geotechnical risk than the paddock system currently in operation. We are committed to implementing the Global Industry Standard for Tailings Management (GISTM) over the coming years, across both current and future TSFs,

and have outlined a roadmap to finalise our compliance development programme. As part of this, our GISTM compliance will be audited by the newly formed Global Tailings Management Institute.

Acknowledgements

2023 was another year of good progress towards our medium-term sustainability goals. The Board and I visited the Mine in December, which was a valuable opportunity to witness the commitments we make at a corporate level being upheld on the ground. I would like to thank the Committee's members, the Executives and site-management team supporting us with their leadership and commitment, and all of Kenmare's employees for their unwavering efforts to drive the performance of the business in line with Kenmare's purpose, values, and sustainability commitments.

ELAINE DORWARD-KING

CHAIR, SUSTAINABILITY COMMITTEE



KENMARE'S PURPOSE

In 2023, Kenmare ran workshops to review the Company's purpose. Employees described what motivates them to work for Kenmare. Participants shared that Kenmare genuinely cares about their safety, wellbeing and career development. They are also proud of Kenmare's socio-economic contribution to Mozambique in terms of job creation, responsible mining practices and initiatives to uplift the health, education and livelihoods of communities. Kenmare expects to finalise the review of its purpose in 2024, which will be tested with employees throughout Kenmare before it is adopted and rolled out.

► **Read more about Tailings management on page 53**

► **Read more about diversity on page 26**

MANAGING DIRECTOR'S STATEMENT



“WE ARE SEEKING TO BUILD FOUNDATIONS THAT DEMONSTRATE KENMARE’S LEGACY AS A TRULY RESPONSIBLE OPERATOR ACROSS ECONOMIC, SOCIAL, ENVIRONMENTAL AND GOVERNANCE ISSUES.”

MICHAEL CARVILL
MANAGING DIRECTOR

IT HAS BEEN 20 YEARS SINCE THE CONSTRUCTION OF THE MOMA MINE GOT UNDERWAY, AND IN THAT PERIOD THE DEVELOPMENT OF BOTH KENMARE’S OPERATIONS AND OUR NEIGHBOURING COMMUNITIES HAS BEEN SIGNIFICANT.

We are immensely proud of what we have achieved, but given the 100-year life of mine, the socio-economic indicators of Mozambique being among the lowest in the world and the fact that we operate in an Environmental Protected Area, we are also humbled by the responsibility that comes with operating in Moma. We are seeking to build foundations that demonstrate Kenmare’s legacy as a truly responsible operator across economic, social, environmental and governance issues. While regulation is rightly driving companies to deliver positive impacts for all stakeholders, Kenmare believes strong sustainability performance is part and parcel of strong operational and financial performance and we embrace the challenge and opportunity that comes with this increased focus.

Safety

We experienced an upward trend in Lost Time Injuries (LTIs) up until the third quarter, when the benefits of Kenmare’s updated 2023 safety strategy began to take effect. Leadership and management teams intervened with several safety down-times to reinforce the message that safety must genuinely always be prioritised over production. Increased attention was given to safety issues in all planned and unplanned activities. The team was able to arrest the declining performance and ended the year with a strong safety record, achieving two-million-hours without an LTI by year end. I commend and thank the team for their resilience and commitment to safety.

Alongside safety, the health and wellness of our 1,708 employees is paramount and we support this through our wellness programme, Thrive, which has now been running for three years. Thrive supports colleagues with chronic health diseases, such as diabetes, cardiovascular disease, and HIV-AIDS. Encouragingly, more staff members volunteered for medical assessments in 2023 compared to the prior year, a critical first step in helping the medical team diagnose and support management of chronic diseases. We also continue with measures to prevent and mitigate the impact of these diseases through nutrition and exercise. In the year ahead, we look forward to the opening of a new gym and introducing organised exercise activities for staff.

Malaria continues to be one of the highest causes of death in sub-Saharan Africa and Mozambique has the fourth highest prevalence of malaria in Africa¹. With the Moma Mine situated in a malaria endemic region, Kenmare is investing in a vector control research programme with the Centro de Investigação em Saúde de Manhiça (CISM), a Mozambican government medical research institute. In parallel, we mitigate the threat of malaria by continuing to educate and raise awareness of the risks, distribute repellents, spray insecticide in and around malaria prone areas, and conduct Larval Source Management. These efforts resulted in a 51% reduction in the number of staff malaria cases in 2023 compared to 2022.

Climate

At the close of the year, the UNCCC² convened COP-28³ in Dubai and member countries unanimously agreed to establish a loss and damage fund for countries on the front line of dealing with climate disasters. While the \$700 million pledged to date is a fraction of the hundreds of billions that climate disasters are now costing each year, Mozambique as a country on the front line of extreme weather will hopefully be among the recipients of these much-needed funds.

Kenmare remains committed to both mitigating its contribution to climate change and increasing the resilience and preparedness of our operations and host communities. In 2023, Kenmare achieved an emissions reduction of 14% relative to 2022 due largely to the impact of Rotary Uninterruptible Power Supply (RUPS) and efficiencies at the Mineral Separation Plant (MSP). Notwithstanding this progress, the target of 12% emissions reduction by 2024 relative to the 2021 baseline will be a stretch, given diesel consumption is forecast to increase due to various factors. We are nevertheless taking measures to deliver on that target and continue to work towards setting 2030 targets and to demonstrating that we are on the pathway to decarbonising our operations and delivering on our 2040 Net Zero (Scope 1 & 2) ambition.

Community

The population of our host communities has grown significantly due to inward migration of people looking for opportunities associated with the Mine as well as organic population growth. Thanks to the Kenmare Moma Development Association's (KMAD's) investment and efforts to improve the school and medical infrastructure, close to 12,000 children are now taught in improved conditions and almost 50,000 medical consultations took place in 2023, in properly equipped and staffed medical facilities. In 2024, the construction of the KMAD-funded hospital in Larde, the only hospital within the district, will commence.

Kenmare has proudly invested over \$20 million in socio-economic development projects since KMAD's inception in 2004, including \$4.7 million in 2023. Non-discretionary spend associated with Resettlement Action Plans amounted to \$13.4 million in 2023 and

when combined with discretionary investment, represented 4% of Kenmare's revenues.

Local procurement

Kenmare is also aware of the possibility to uplift the lives of our host communities through business opportunities in our supply chain. The Company has pursued a strategy of increasing local procurement with Mozambican companies, and prioritising and supporting businesses located in the province and district where we operate. Operating spend with Mozambican companies (excluding diesel and electricity) has increased by 3.2% compared to the prior year and spend with local (district or provincial) businesses has grown by 8.5%. Our partnership with Moz Parks, which has established Phase 1 of an industrial park in Topuito, will further accelerate these efforts. In 2023, Moz Parks secured 'free zone' status, providing attractive tax breaks to those companies establishing themselves there.

Security

While we have avoided direct impacts of the insurgency plaguing the unfortunate communities further north in the country these past years, security remains a priority for the business overall. We have deployed even more technology and surveillance systems to detect and prevent criminal activity, resulting in a 51% reduction in overall security-related incidents since 2021 and a 21% year-on-year reduction. Protecting the human rights of host communities is critical and we continue to invest in twice annual external training of the public security personnel based at the Mine in the Voluntary Principles on Security & Human Rights, raising awareness of what constitutes human rights abuses and Kenmare's zero tolerance policy of abuse. In the year ahead, we will invest in targeted programmes to engage aspiring and enterprising young people in micro-business opportunities, with the aim of providing legitimate livelihood alternatives to criminal activity.

Living our values

Our core values of Integrity, Commitment, Accountability, Respect and Excellence (ICARE) are fundamental to how we run our business, and how we conduct ourselves daily and this has been evident to me in my site visits and feedback from external visitors to the Mine throughout 2023. I would like to thank the whole Kenmare team and all our partners for their contribution as we continue our progress to minimising and mitigating our impact on the environment, delivering economic returns for the Mozambican government and shareholders, and making a positive difference to the lives of host communities.

MICHAEL CARVILL

MANAGING DIRECTOR

¹ World Health Organisation











² United Nations Framework Convention on Climate Change

³ Conference of the Parties

2023 ESG SCORECARD PERFORMANCE

KENMARE'S APPROACH TO SUSTAINABILITY AIMS TO BALANCE THE NEEDS OF ITS HOST COMMUNITIES, ENVIRONMENTAL CONSERVATION, AND ECONOMIC RETURNS.










Kenmare measures progress against this strategy via its Environmental, Social and Governance (ESG) Scorecard, which forms part of both staff and Executive incentive schemes. Kenmare's performance against its 2023 ESG Key Performance Indicators (KPIs) is summarised below. The ESG KPIs which form part of the Director's annual bonus award and which you can read about on pages 132 and 133, scored 15% out of the maximum of 25%. Kenmare's 2024 and 2025 targets are set out together with its sustainability strategy on pages 60 and 61.

	2023 target	2023 performance	Target status
 Safe and engaged workforce	Workforce safety <ul style="list-style-type: none"> 20% Lost Time Injury Frequency Rate (LTIFR) reduction relative to three-year average 10% All Injury Frequency Rate (AIFR) reduction against three-year average 	<ul style="list-style-type: none"> 25% increase in LTIFR to 0.15 against three-year average 17% decrease to 1.24 against three-year average 	 
	Malaria prevention <ul style="list-style-type: none"> Complete Knowledge Attitude and Practice (KAP) Survey and define new Malaria Action Plan 	KAP Survey commenced in September 2023 and will be completed Q2 2024. Recommendations will be implemented from Q3 2024	
	Gender diversity <ul style="list-style-type: none"> 15.5% female representation at the Moma Mine (2022: 14.5%) 	16% female representation at the Moma Mine	
 Thriving communities	Local procurement <ul style="list-style-type: none"> 3% increase in local procurement (operating expenditure excluding electricity and diesel) Additional four contracts signed with local suppliers 	<ul style="list-style-type: none"> 3.2% increase in local procurement Six contracts with local suppliers signed 	 
	KMAD <ul style="list-style-type: none"> Delivery of second year of KMAD three-year plan 	74% of targets from KMAD's three-year plan delivered	
	Socio-economic <ul style="list-style-type: none"> Businesses on track to repay loans within loan period Pupil literacy and numeracy rates Water quality in community villages 	<ul style="list-style-type: none"> Loan repayments at 27%, behind target of 40% Educational improvement project suspended, due to restart in February Water treatment trials successfully completed at three villages 	

KEY

 Achieved / Good progress
  Limited progress
  In progress



	2023 target	2023 performance	Target status
 A healthy natural environment	Climate / decarbonisation <ul style="list-style-type: none"> On track to deliver 12% emissions reduction by 2024, by achieving 9% in 2023 with plan for additional 3% in 2024 	<ul style="list-style-type: none"> 14% annual reduction in Scope 1 emissions achieved. Diesel consumption is forecast to increase in 2024, however, mitigation programmes were initiated in 2023 to ensure the 12% emissions reduction, relative to the 2021 baseline is delivered 	
	Land management <ul style="list-style-type: none"> Expand agro-forestry Establish Pilivilil forest 	<ul style="list-style-type: none"> 12.5 ha of agroforestry established 20 ha of indigenous trees planted 	
	Rehabilitation <ul style="list-style-type: none"> 175 ha of post-mined land rehabilitated 	187 ha of post-mined land rehabilitated	
	Biodiversity management <ul style="list-style-type: none"> Icuria forest designated as conservation area Apply for Pilivilil dunal area to have conservation status 	<ul style="list-style-type: none"> Memorandum of Understanding signed with Primeiras and Segundas Archipelagos Protected Area Management Committee (APAIPS) to work towards official designation 	
	Water stewardship <ul style="list-style-type: none"> Maintain 90% water re-use 	90% water re-use maintained	
	Tailings management <ul style="list-style-type: none"> Set up project plan for Global Industry Standard for Tailings Management (GISTM) by end 2024 	On track for alignment with GISTM by year-end 2024	
 Trusted business	Supply chain due diligence <ul style="list-style-type: none"> 80% compliance of target suppliers with Kenmare's Supplier Code of Conduct 	<ul style="list-style-type: none"> 84% compliance achieved 	

KENMARE'S OPERATIONS

KENMARE'S MOMA TITANIUM MINERALS MINE IS LOCATED ON THE NORTH EAST COAST OF MOZAMBIQUE. IT IS ONE OF THE LARGEST TITANIUM MINERALS DEPOSITS IN THE WORLD AND BEGAN PRODUCTION IN 2007.

Moma has a low environmental impact, as Kenmare progressively rehabilitates the land as it is mined. Moma also benefits from access to low-cost, renewable electricity (from the Cahora Bassa Hydroelectric Complex), to supply over 90% of the Mine's requirements.

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



Mozambique

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

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

Working in partnership

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

Good governance

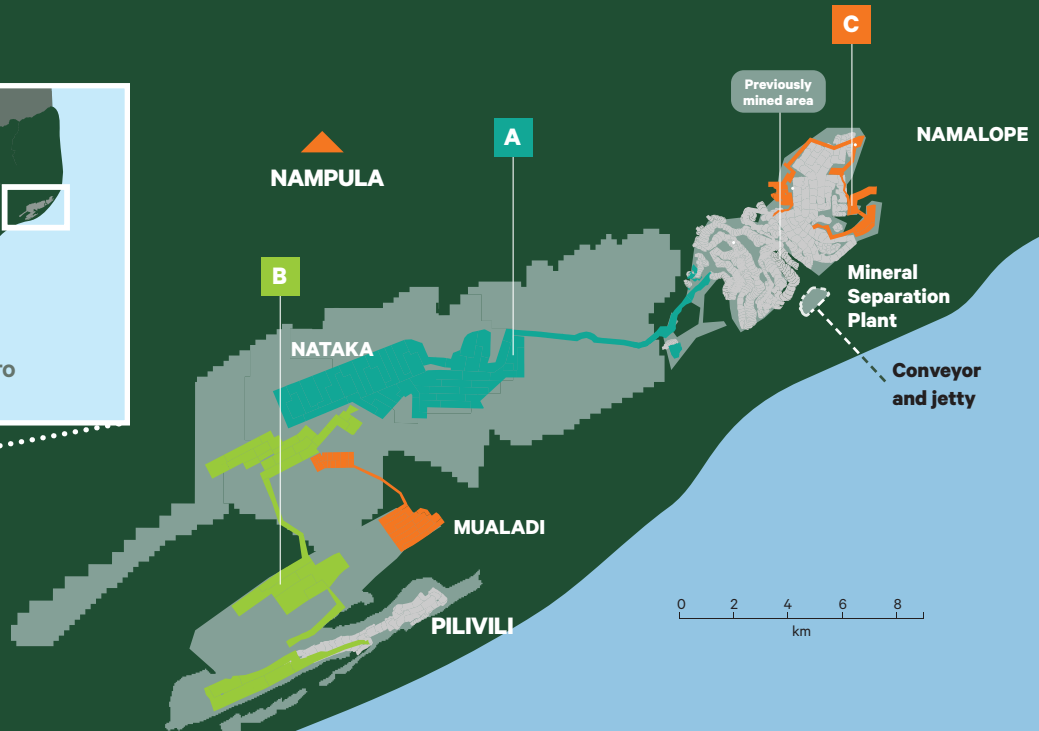
Kenmare has been named as the most transparent company in Mozambique for three consecutive years by the Centre for Public Integrity's Extractive Industry Transparency Index, most recently in 2022. Mozambique is one of 52 countries that implements the Extractive Industries Transparency Initiative (EITI)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

Democracy in action

Democratic elections have been held every five years in Mozambique since 1994, with the most recent election held in October 2019. The next election will be held in 2024.



Kenmare's Managing Director Michael Carvill with Moma employee Solomon Manuel and Irish Government Minister Conor Lenihan in 2006, ahead of Moma delivering first production in 2007.



WCP A



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

WCP B



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

WCP C



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

Read more about stakeholder engagement on page 14

Read more about sustainability governance on page 58

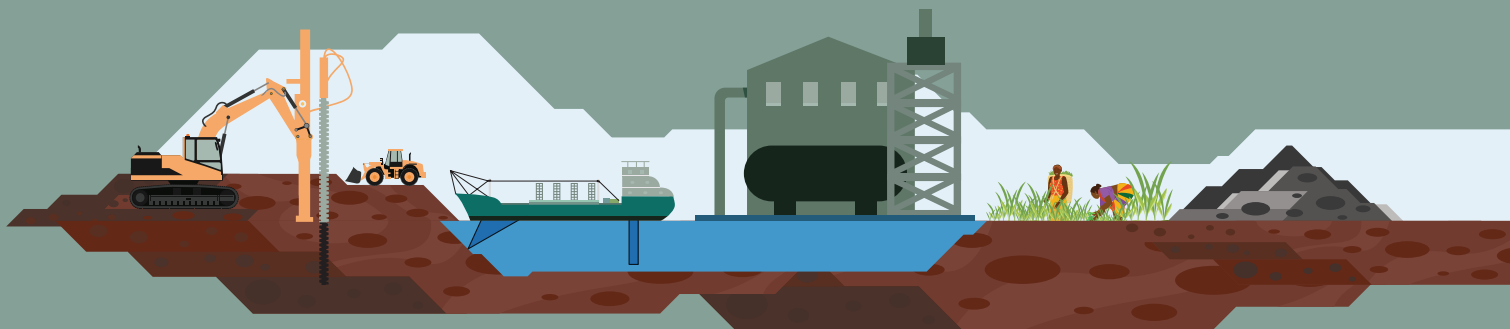
OPERATING PROCESS

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.

Kenmare progressively rehabilitates and returns land to the community. The Company also supports its host communities through its not-for-profit organisation, the Kenmare Moma Development Association (KMAD), which was established in 2004.

▶ Mining



1. EVALUATION

The mine plan is designed and scheduled based on Kenmare's Proved and Probable Ore Reserves. Kenmare is currently mining the Namalope and Pilivili ore zones, with plans to commence mining the Nataka ore zone from late 2025.

2. 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 two dry mining operations to supplement ore feed to WCP A.

3. 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).

4. 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.

5. 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, zircon, rutile, and monazite, which is sold as part of Kenmare's concentrates product stream), other heavy minerals, and a small amount of other minerals (the bulk of which is silica sand).

▶ Read more about Kenmare's Materiality process on page 22

▶ Read more about Kenmare's sustainability strategy on page 16

>90%

Electricity from
renewable source
(hydropower)

0

Toxic chemicals
used in operations

187 ha

Land rehabilitated
in 2023

204k

Trees planted
in 2023

▶ Processing

▶ Storage and export



6. 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.

7. 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.

8. PRODUCT STORAGE WAREHOUSE

Ilmenite and rutile are stored in a 229,000 tonne capacity warehouse, which also contains an enclosed area to store the mineral sands concentrate product (containing monazite). Zircon is stored in a separate 35,000 tonne capacity warehouse to reduce the potential for cross-contamination. The warehouses load the products onto a 2.4 km-long overland conveyor.

9. CONVEYOR, JETTY AND TRANSSHIPMENT

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.

10. OCEAN-GOING BULK CARRIER

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

Other infrastructure

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

MATERIALITY

THIS SUSTAINABILITY REPORT HIGHLIGHTS THE POLICIES AND APPROACHES KENMARE TAKES TO ENSURE RESPONSIBLE AND SUSTAINABLE BUSINESS PRACTICES AND THE COMPANY'S PROGRESS IN IMPLEMENTING THEM DURING THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2023.

The report also presents Kenmare's overall performance measured against a set of objectives for managing the Company's Environmental, Social and Governance (ESG) impacts. Kenmare's full data disclosure can be found in its Sustainability Fact Book, available via kenmareresources.com.

Scope and boundary of report

This report covers Kenmare's sole and wholly owned asset, the Moma Mine, and the Company's Mozambican offices in Nampula and Maputo. In some cases, data for the head office in Dublin is also included. All currencies are denominated in US dollars. All data has been collected by Kenmare employees. GHG emissions, energy and water data is audited, further details of which are available online at www.kenmareresources.com. Kenmare does not have interests in any other assets.

2023 materiality review

Kenmare conducts a formal materiality assessment every three years. An assessment was due to be conducted in 2023, however this was postponed to 2024 when Kenmare will conduct a Double Materiality assessment in compliance with the EU's Corporate Sustainability Reporting Directive (CSRD). During the years in between the formal assessments, the Executive Committee, relevant leadership team members and Sustainability Committee review the Company's internal assessment of how issues have changed and whether new material issues should be included.

As part of this process, Kenmare regularly engages with its key stakeholders to ensure that the Company is reporting on the most material ESG topics and to address any concerns they may have. In addition to inputs from the year-round stakeholder engagement the Company conducts, Kenmare considers on an annual basis the risks, opportunities and impacts; regulations and standards; operating environment; the Company's strategy, goals and targets and its purpose and values when considering what the material issues are.

The increasing or decreasing importance of these issues was considered in the context of changes in the internal and external environment, which in turn are informed by Kenmare's stakeholders' concerns and interests.

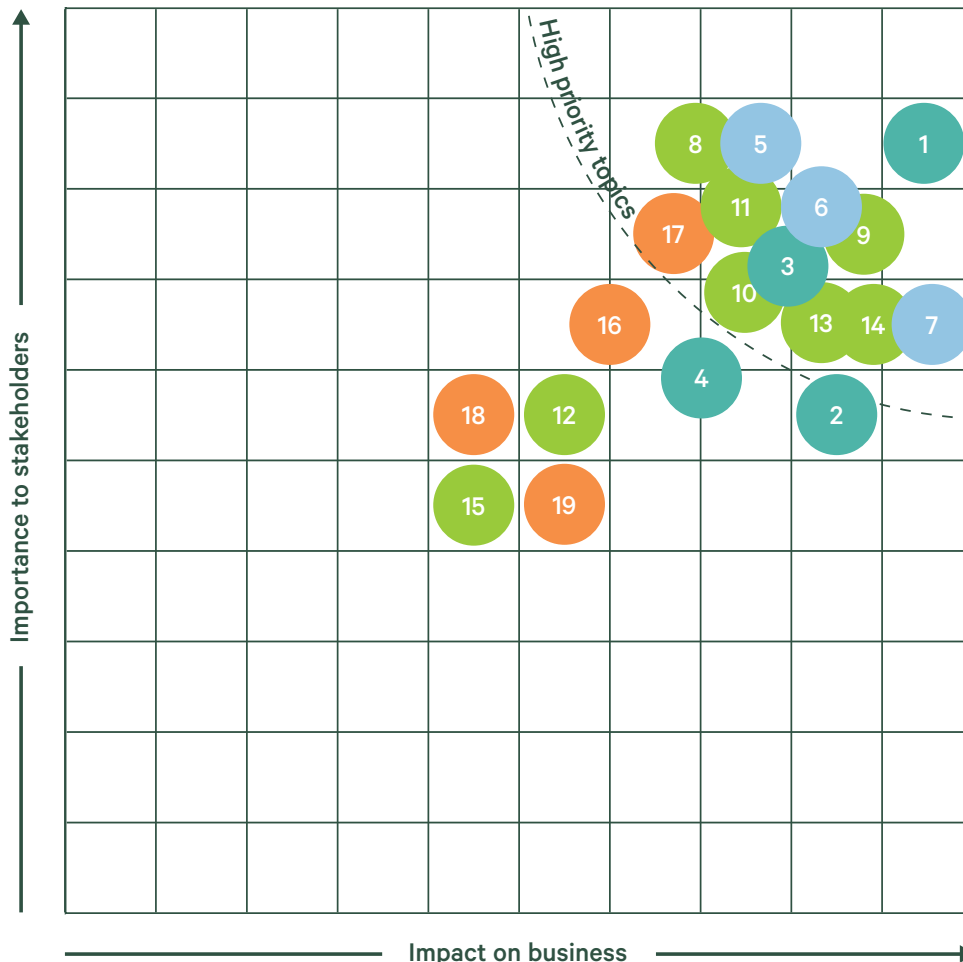
In the 2023 review, four issues increased in relative importance compared to 2022. Health and safety, while always a top priority for Kenmare, increased in importance due to the relative under-performance in the first three quarters of 2023. While Kenmare ended the year with 2 million hours worked LTI free, the lower performance earlier in the year meant this became a key area of focus for management and the Board. Community relationships also rose in importance due to the ongoing Resettlement Action Plans (RAP) procedure related to the economic resettlement ahead of the Tailings Storage Facility construction. Approving the RAP is critical to enabling WCP A to move to the Nataka ore body and will introduce Kenmare's first permanent Tailings Storage Facility (TSF) to its operations.

Tailings management increased in priority for a second consecutive year as the Company continues its implementation of the Global Industry Standards on Tailings Management (GISTM) for both existing paddock systems and the future Isoa TSF.

Finally, biodiversity rose up the agenda for a second consecutive year, as Kenmare engaged with government and NGO stakeholders on the development of its Biodiversity Offset Management Plan, which will set out how the Company intends to deliver a No Net Loss and 15% Net Gain in critical habitats.



2023 materiality analysis



Issue categories

SAFE AND ENGAGED WORKFORCE

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

THRIVING COMMUNITIES

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

A HEALTHY NATURAL ENVIRONMENT

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

TRUSTED BUSINESS

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

STAKEHOLDER ENGAGEMENT

KENMARE HAS CONSTRUCTIVE LONG-TERM RELATIONSHIPS WITH ALL OF ITS STAKEHOLDERS

Responsibility for stakeholder engagement is embedded across the business, including with the Board, the Executive Committee, site leadership, community liaison teams, the Kenmare Moma Development Association (KMAD), contractors, and all representatives of the business. With a life of mine of over 100 years, it is essential that the Company's engagement with its stakeholders is open and collaborative, supporting the lasting success of the business. Kenmare uses appropriate mechanisms to interact with its stakeholders, provide them with information and learn about their interests and concerns.



Employees and unions



Communities

Importance of engaging

Kenmare believes that its employees are critical to its success and that a partnership approach is vital to achieving business objectives. The Company provides competitive remuneration and invests in professional and personal development, while providing a safe and healthy working environment.

Kenmare values its relationship with its host communities highly. The Company's stakeholder engagement plan is updated annually and reflects the evolving dynamics in the relationship between the Mine and host communities.

Ways in which Kenmare engages stakeholders and how engagement is monitored

- ▶ Facilitates quarterly union meetings
- ▶ Undertakes quarterly performance and feedback meetings with employees
- ▶ Undertakes bi-monthly departmental "focal point" meetings
- ▶ Engages union representatives constructively on collective bargaining issues
- ▶ Supports networking forums such as the Kenmare Women in Mining Forum
- ▶ Operates an independent whistleblowing service
- ▶ Publishes Company newsletters and hosts regular "Toolbox Talks" and Town Hall meetings, as well as undertaking staff engagement surveys

- ▶ Holds formal bi-monthly and informal ad hoc community meetings to understand and discuss host communities' concerns and priorities
- ▶ Supports local radio stations to inform the community of Kenmare and KMAD's activities
- ▶ Conducts Environmental, Social and Health Impact Assessments to identify potential positive and negative impacts of the Mine's activities
- ▶ Operates grievance mechanisms to address community concerns and maintains a grievance register
- ▶ KMAD hosts three Local Working Group community meetings annually and publishes a quarterly newsletter

Significant topics raised

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

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

Kenmare's response and actions taken

- ▶ 290 public security personnel have received external training on the Voluntary Principles
- ▶ Leadership development training programme
- ▶ Female representation in Mine workforce reached 16%, with 40% female representation in senior management

- ▶ 187 hectares of land rehabilitated
- ▶ \$940,000 generated by KMAD sponsored micro-businesses
- ▶ Three water systems installed, upgraded, or repaired
- ▶ Contract signed for the construction of a new district hospital in Larde

► **Read more about KMAD on page 32**

► **Read more about Kenmare's payments to Government on page 60**



Government and regulators

Kenmare complies with applicable laws and regulations and ensures that Mozambique shares in the benefits of the Moma Mine. The Company maintains a proactive dialogue with national, district and provincial government so they are well-informed of the Mine's activities.

- Directs engagement with local, provincial and national government authorities regarding mining rights, environmental issues and permitting
- Provides monthly, quarterly and annual reports to the Ministry of Mineral Resources and Energy
- Provides an annual report to the Ministry for Land and Environment
- Provides a quarterly report to the District Authorities
- Provides a Portuguese summary of Kenmare's Annual Report to government departments
- Provides a Portuguese version of KMAD's Annual Report to government departments
- Publishes an annual report on Payments to Government

- 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
- Payments to the Government of Mozambique of \$43.6 million



Shareholders and lenders

Kenmare's shareholders are the owners of the business and their continued support is critical. They provide the capital to develop and expand operations responsibly and sustainably and consequently, Kenmare needs to ensure it continues to deliver both a strong investor proposition and be able to meet its debt obligations as they fall due.

- Participates in investor conferences
- Hosts webinars and group presentations
- Organises one-on-one investor meetings and roadshows
- Hosts site visits
- Participates in interviews with the investment press
- Encourages dialogue at the Annual General Meeting
- Produces corporate materials including announcements, presentations, Company website, Annual Report and social media posts
- Undertakes surveys of investor perceptions

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

- 3% increase in dividends per share in 2023
- Capital Markets Day hosted in April 2023
- Investor perception survey conducted in early 2024
- Disclosures to Carbon Disclosure Project (CDP) Climate, Water and Forest, with B scores for Climate and Water (Forest is currently not marked by CDP)



Suppliers, contractors and customers

Kenmare believes in building stable, long-term relationships based on mutually beneficial terms with suppliers, contractors, customers and financial service providers. Kenmare works in collaboration with the full value chain, assisting its partners to meet the Company's ethical, environmental and safety standards.

- Manages contractors
- Undertakes supplier sustainability due diligence audits and site visits
- Hosts supplier forums, workshops, meetings and training
- Operates an independent whistleblowing service

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

- 100% of the 38 on-site suppliers audited
- 84% compliance by audited suppliers with Kenmare's Supplier Code of Conduct
- Six new contracts established with local suppliers

SUSTAINABILITY STRATEGY

KENMARE AIMS TO ACHIEVE A BALANCE BETWEEN THE NEEDS OF MOMA'S HOST COMMUNITIES, CONSERVING THE ENVIRONMENT, AND GENERATING ECONOMIC RETURNS. KENMARE WORKS TO DELIVER VALUE TO ALL STAKEHOLDERS BY STRIVING TOWARDS THE MISSIONS OUTLINED IN EACH OF ITS FOUR STRATEGIC SUSTAINABILITY PILLARS.

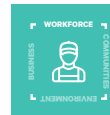
Kenmare's sustainability strategy builds on the Company's track record of sustainable development during its 17-year production history. The Company's medium-term targets for 2025, set in 2021, are now near-term targets. Therefore, these will be updated in 2024 with medium-term targets for 2030. Kenmare's sustainability strategy considers the major macro and national sustainability themes that are likely to both influence Kenmare's operations and provide either risks or opportunities that the business needs to consider, including:

- ▶ The global focus and urgent need to tackle climate change and reverse the loss of biodiversity
- ▶ A young, aspiring and growing Mozambican population, and the resulting impact on existing socio-economic issues
- ▶ The increasing focus on due diligence of sustainability impacts in the supply chain and wider value chain.



“KENMARE REGULARLY ENGAGES WITH ITS STAKEHOLDERS AT ALL LEVELS OF THE BUSINESS. KENMARE’S BOARD MET WITH A WOMEN’S COMMUNITY GROUP DURING A SITE VISIT IN DECEMBER.”

REGINA MACUACUA, DEPUTY COUNTRY MANAGER



Safe and engaged workforce



Mission

To sustain a safe, healthy and engaged workforce.

Overview

Protecting the safety of Kenmare's employees, suppliers and contractors is of the utmost importance to the Company. Kenmare takes a proactive approach to managing safety, identifying and mitigating major risks, and sharing lessons to continuously improve performance. The Company's ability to attract, retain and motivate a diverse, high calibre, and localised workforce is at the heart of its success and sustainability as a business.

Material issues

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

2024 targets

- ▶ Reduce Lost Time Injury Frequency Rate (LTIFR)
- ▶ Reduce malaria cases per hours worked
- ▶ Complete malaria vector control study
- ▶ Increase percentage of women in Moma workforce to 17.5%

2025 targets

- ▶ Measurably reduce malaria
- ▶ Increase percentage of women in Moma workforce to 20%
- ▶ Maintain engaged workforce, as measured by survey and <3% voluntary staff turnover
- ▶ Ensure 95% of employees have a development plan and know what they need to do to ready themselves for their next role with the Company



Thriving communities



Mission

To increase the prosperity of Kenmare's host communities.

Overview

Kenmare is privileged to be able to use the Moma Mine's presence to support the economic and social prosperity of local communities. The Company seeks to operate in a safe, inclusive, and transparent way and engage openly with communities directly or indirectly affected by Kenmare's mining operations. The Company is committed to listening to communities' concerns and priorities, and constructively resolving any differences in a transparent manner.

Material issues

- ▶ Socio-economic development
- ▶ Land use
- ▶ Community relationships

2024 targets

- ▶ Deliver 3% increase in local procurement
- ▶ Establish framework for micro-businesses to provide services to Kenmare and establish one new business

2025 targets

- ▶ Increase procurement with Mozambican suppliers
- ▶ Deliver meaningful improvement in:
 - Micro-loan repayments
 - Pupil literacy and numeracy
 - Water quality at community boreholes
- ▶ Deliver progress against relevant Sustainable Development Goals



A healthy natural environment



Mission

To create and sustain a positive environmental legacy.

Overview

Kenmare focuses on reducing Greenhouse Gas emissions from its operations, ensuring the 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 the Company's mining operations on the environment and biodiversity includes a progressive rehabilitation programme, water stewardship, and minimising waste to landfill.

Material issues

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

2024 targets

- ▶ Deliver 12% emissions reduction (against 2021 boundary baseline) by 2024
- ▶ Prepare climate Corporate Sustainability Reporting Directive (CSRD) disclosures for Board approval

2025 targets

- ▶ Deliver progress against climate targets
- ▶ Support designation and protection of Icuria forest as a sustainable community forest
- ▶ Ensure balanced post-mining land use programme providing food security and biodiversity
- ▶ Complete implementation of water re-use infrastructure. Ensure water accounting is in alignment with International Council on Mining and Metals guidelines
- ▶ Ensure no reportable tailings releases



Trusted business



Mission

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

Overview

Kenmare aims to be a trusted business and supports transparent disclosure, so the Company can be accountable for its actions and commitments. Employees recognise their personal and collective responsibility in upholding Kenmare's business integrity. The Company's high standards are set out in corporate policies and the laws and regulations of Ireland, the UK, and Mozambique. Kenmare works with suppliers to ensure high sustainability standards are upheld.

Material issues

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

2024 targets

- ▶ >80% of international suppliers complying with Supplier Code of Conduct (CoC) from 2024 onwards
- ▶ >60% of Mozambican companies complying with Supplier CoC from 2024 onwards

2025 targets

- ▶ Undertake external risk assessment of ABC risks in business and supply chain
- ▶ Ensure on-site suppliers achieve an average of 85% compliance with Kenmare's Supplier CoC
- ▶ Gain external assurance of public security forces upholding the Voluntary Principles on Security and Human Rights



SAFE AND ENGAGED WORKFORCE

THE SAFETY OF ITS WORKFORCE IS THE PRIMARY CONCERN THAT DRIVES KENMARE'S DAY-TO-DAY DECISION MAKING AND WORK.

Safe operations are a core pillar of the Company's approach to sustainability and are an important element in decision making at every stage of Kenmare's activity. Safety is overseen by the Board Sustainability Committee. To ensure Kenmare's workforce is engaged and productive as well as safe, the Company also takes steps to create a working environment where diversity is harnessed, where talent is nurtured and where employees have fulfilling careers.

Achievements

- ▶ 51% decrease in malaria cases compared to 2022
- ▶ Mozambican operations certified to NOSA standard, aligned to ISO 45001 International Standard
- ▶ Five-star NOSA rating for eighth consecutive year
- ▶ Audits reported no major safety concerns
- ▶ 100% of senior management completed the Full Role Delivery Programme
- ▶ Localisation rates at 97% exceed regulatory compliance
- ▶ Female representation in Mine employees reached 16% (2022: 14.5%)
- ▶ The impact of the security strategy was reflected in a 21% reduction in criminal activity relative to 2022
- ▶ 22% increase in number of chronic diseases now being controlled

Challenges

- ▶ Embedding a safety culture following the lower Lost Time Injury Frequency Rate performance in Q1-Q3
- ▶ Restarting the Malaria Vector Control study with a new partner, leading to delays in Government approvals and overall progress
- ▶ On-going low conversion rates from police arrests into prosecutions and jail sentencing
- ▶ Rolling out procedures to ensure mandatory attendance at wellness workshops

Standards and guidelines

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

Material topics

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

Stakeholders

- ▶ Employees
- ▶ Suppliers
- ▶ Communities
- ▶ Investors

Sustainable Development Goals



1.24

All Injury Frequency Rate (AIFR) per 200,000 hours worked

51%

Reduction in malaria cases compared to prior year

40%

Women in Moma Mine senior management

21%

Reduction in security-related incidents year-on-year

SAFE AND ENGAGED WORKFORCE CONTINUED

Risk management

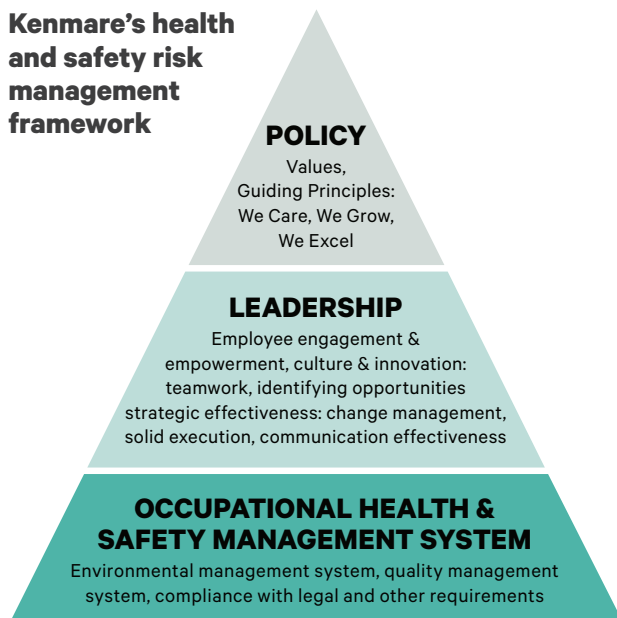
Kenmare's leadership aims to ensure each employee and contractor returns home safely at the end of each shift and the Company's top priority is to strive for a 'zero-harm' working environment. Achieving this shared goal depends on the commitment of the Company's employees, their engagement and awareness, training and ultimately behaviour.

Kenmare uses its health and safety risk-based management process to improve the Company's ability to anticipate and prevent harm to its people, assets and communities. This approach encourages active employee participation to promote a safety culture, alongside a process of continuous hazard identification to ensure that health and safety best practice is integrated in every area of the Moma Mine.

Kenmare is committed to preventing and mitigating any safety incidents and their impacts and to identifying and capturing opportunities to deliver positive improvements in safety. The Company's health and safety strategy and governance, includes management and employee committees, which carefully manage strategic and tactical health and safety risks and opportunities at all levels of the business.

To ensure all staff are held accountable for prioritising safety, health and safety metrics are incorporated into the annual incentive plan for Executives and employees. Safety Key Performance Indicators (KPIs) are monitored regularly by the Executive Committee, Sustainability Committee and the Board, underlining the importance of safety performance in the Company's culture.

Kenmare's health and safety risk management framework



Kenmare's health and safety management framework helps assess, and manage the risks related to operational activities and processes. It comprises:

- ▶ A hazard identification and risk management framework using Take 5, General Task Assessment, permit to work and detailed risk assessment processes
- ▶ Opportunities for leaders to meet employees, listen to their health, safety and environment challenges, and provide support to address them, through weekly Visible Felt Leadership sessions
- ▶ Implementation and monitoring of standards using inspection, coaching and planned task observation by the leaders of high-risk activities
- ▶ Continuous and targeted health and safety campaigns
- ▶ Critical audits and monthly inspections
- ▶ A red card system, which empowers employees and contractors to stop, address and report unsafe acts and conditions
- ▶ Recognition of safe behaviours that contribute to a safety culture
- ▶ Zero tolerance of breaches of golden rules
- ▶ Investigations focused on learning from incidents

Health and safety

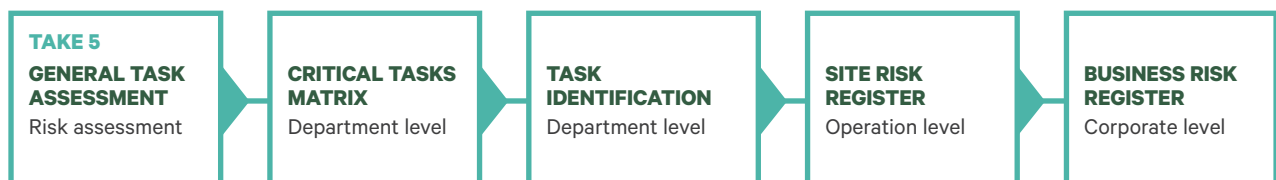
The standards that every employee and contractor must uphold are set out in Kenmare's health and safety management framework. Leaders continuously engage with staff and suppliers to reinforce the importance of observing Kenmare's policies and standards. Management systems are also used to help monitor and track health and safety performance and areas for improvement.

Health and safety performance

Kenmare saw an upward trend in LTIs between Q1-Q3 and the final LTIFR for 2023 was 0.15 LTIs per 200,000 hours worked, representing a 25% increase relative to the Company's three-year rolling average. This measure had been preceded by two years of industry-leading safety performance. While none of the LTIs sustained were serious or life threatening, they pointed to insufficient focus being placed on risk management by leaders. To address this, the site management team developed a new 2023 safety strategy to work through all aspects of improvements required and recommitted themselves to showing authentic and courageous leadership of health and safety, with a strict focus on planning and increasing the time dedicated to on-site training and coaching.

Several safety stand downs were held to reinforce the message that safety must genuinely always be prioritised over production. Increased attention was given to safety demonstrations in all planned and unplanned activities and the team was able to halt the declining performance.

Kenmare's health and safety risk management process



The efforts of leaders, employees and contractors meant valuable lessons were learned, and the year ended with a successful reversal in the LTIFR trend, with 2 million hours achieved without an LTI by the end of the year. The All Injury Frequency Rate of 1.24 represented a 17% decrease relative to the three year rolling average, but a 11% increase relative to the previous year.

External audits

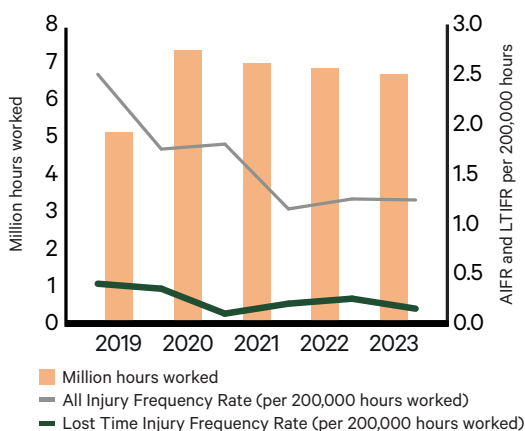
The National Occupational Safety Association (NOSA), provides external assurance of Kenmare's safety performance. It conducts a yearly audit of Kenmare's environment, health, and safety practices at the Moma Mine. For an eighth consecutive year, Kenmare achieved a five-star certification, reflecting the Company's continued commitment to safety management and training. Kenmare also retained its "NOSCAR" status, NOSA's high performance award. In 2024, the commitment to safe operations will be enhanced through focussing on four main areas: building authentic and courageous safety leadership in the Company's middle and supervisory management; enhancing standards (both physical and behavioural); planning for safety; and increased field coaching time.

Safety communications campaigns

Kenmare's communications team led several safety-focused awareness campaigns during 2023. These included team based 'Cobra Hunts' which involve hunting for safety risks in everyday operations and the promotion of near miss reporting to help learn from incidents where accidents, serious or otherwise, might have occurred. Teams dedicated a half day to identifying and addressing hazards in their areas, logging and then closing them on the health and safety system.

Due to the number of LTIs resulting from hand injuries in 2023, a campaign was run to focus on the message: "Love your hands". Flávio Peralta, a Brazilian motivational speaker and former electrician who had both hands amputated because of a workplace accident visited the site twice, conducting mine-wide workshops to emphasise the importance of working safely and never taking shortcuts.

Safety performance



The final campaign was focused around "Trabalho Seguro" translated to "Work Safely" or "Safe job" and the use of Red Cards, which any employee can use to stop unsafe work practices. Safety messages were also communicated via banners, posters, the staff newsletter, T-shirts, and digital platforms. Each month teams recognised their collective safety leadership and success by taking part in celebratory competitions with prizes.

Golden rules

The six golden rules, which have been in place since 2017, serve to remind employees of the major fatality risks and mitigations on site and to efficiently risk assess their safety behaviour in those different operational contexts.



“‘TRABALHO SEGURO’ HAS BECOME THE MANTRA OF KENMARE’S EMPLOYEES. BEHAVIOURAL CHANGE LED TO THE ACHIEVEMENT OF TWO MILLION LTI-FREE HOURS BY THE END OF 2023.”

BABRA MUDZANAPABWE
HEAD OF HEALTH AND SAFETY

SAFE AND ENGAGED WORKFORCE CONTINUED

Employee wellbeing

Wellness is a year-round priority at Kenmare. The site-based wellness programme supports employees in working towards or achieving a healthy lifestyle and all employees participate in an annual medical surveillance programme. Kenmare has an on-site medical clinic run by professionally trained staff, providing primary medical care and the facilities to respond to any illness or medical emergency. Additional medical expertise is available through external health service providers, such as Nampula Central Hospital and Maputo Central Hospital.

Employees' main health concerns are work-related accidents, malaria and chronic diseases, such as diabetes, high blood pressure and HIV-AIDS. Kenmare's health education and wellness programme, "Thrive" has been in operation since 2021, and aims to address some of these through advice on preventing chronic diseases and raising awareness about the importance of maintaining physical and mental health.

In 2023, the Health and Safety team continued to run Thrive workshops with attendance at these workshops now mandatory. These sessions use expert third-party speakers and focus on the importance of healthy and nutritious diets and also provide advice on managing the impacts of chronic diseases. At year end, 86% of the workforce had attended the educational sessions.

The work to raise awareness of chronic diseases has continued to lead to more employees seeking a diagnosis. However, further work will be needed to support those employees to manage their illnesses effectively.

CHRONIC DISEASES	2021	2022	2023
Total number	155	311	600
Controlled	104 (67%)	173 (56%)	468 (78%)
Not controlled	51 (33%)	138 (44%)	132 (22%)

In 2023, 37 employees in the Marine Department, participated in a nutrition and dietetic educational programme. The Marine Department mainly works from transshipment vessels and its staff have a different set of health and wellness challenges to site-based employees. The programmes included training for the chefs on the vessels in nutritional risk assessment, food hygiene and safety procedures and dietary plan design. Other participants were shown how to develop a healthy and safe eating pattern.

NUTRITION AND WELLBEING



Kamil Ussene is second officer on the Peg transshipment vessel. Kamil made several key changes after he attended Kenmare's nutrition and wellness programme. He has adopted healthier eating habits, such as reducing foods with high sugar content, thereby reducing his blood glucose. Kamil reflected on the learnings from this programme and the advice he can offer others: "Having a healthy diet gives me energy to carry out daily activities, improves my mood and mental health, and my overall productivity. I've tried to also put these lessons into practice with my family.

Exercise is equally important to physical and mental wellbeing. Physical activity improves blood circulation, strengthens the immune system, helps you to lose weight, lowers the risk of heart disease, strengthens bones and releases endorphins which improves mood.

My goals for the year ahead are to maintain a healthy diet, exercise, and to control my weight, blood pressure and blood glucose. My advice to people who want to improve their wellbeing is to exercise regularly, have a nutritious and balanced diet, take time to relax and unwind, whether it's through meditation, reading, or hobbies that bring you pleasure. Keep in touch with friends and family, seek emotional and social support, and take care of the quality of your sleep."

Malaria

Malaria is has a high prevalence throughout Mozambique and presents a major burden to the country and its citizens with 10.3 million cases and 22,300 deaths recorded in 2021¹. It accounts for 29% of all deaths and 42% of deaths in children under five years of age.

The Moma Mine is situated in an area where malaria is endemic and Kenmare is committed to providing technical lifesaving interventions proven to fight and prevent malaria, reducing the risk to the Company's workforce and host communities. Regrettably in 2023, two contractors succumbed to their malaria symptoms and died. Kenmare aims to educate employees and contractors alike as to the dangers of malaria and the need to seek immediate treatment in the event of experiencing malaria symptoms, however it is challenging for the Company to fully control how people respond to their symptoms. Increasing the education and awareness of spotting malaria symptoms and most importantly, the urgency of getting treatment will be a key focus of the 2024 Malaria programme. Beyond those tragic cases, in 2023, there was a 51% reduction in cases of malaria at the Mine compared to 2022. This significant improvement is the result of comprehensive prevention and control measures, including ongoing educational campaigns; regular distribution of malaria prevention tools to employees including repellents and mosquito nets. All visitors to the mine are required to take prophylaxis and contractors conduct indoor and outdoor spatial and residual spraying, and larval source management. A community-agreed programme to spray the inside of every house in 14 villages within the concession led to a reduction in malaria cases within the wider community.

A strategic goal of the Company over the past two years has been to make a step change in its response to malaria and seek to eradicate the disease using the latest scientific techniques which involve Vector Control studies. Kenmare initiated a holistic malaria study with Centro de Investigação em Saúde de Manhiça (CISM), a Mozambican government medical research institute. The study has three main components: socio-demographic (covering a knowledge, attitude, and practices survey); entomological (the study of the variant of prevalent mosquitoes); and epidemiological (the study and analysis of the distribution, patterns and determinants of health and disease conditions in a defined population). The recommendations from this study are expected to be implemented in the second half of 2024, marking a significant step toward reinforcing malaria prevention measures among employees and the surrounding communities.

¹ WHO 2022 World Malaria Report modelled estimates

MALARIA AWARENESS



Kenmare recognised World Malaria Day on 25 April and held a programme of events to raise awareness among employees, contractors, suppliers, and communities, including 16 sessions carried out by Kenmare's medical team. The team discussed why malaria is endemic to Mozambique and techniques to prevent contracting the disease. Suppliers were also educated on how the disease is transmitted; its symptoms; and treatment and prevention with mosquito nets, spraying and long-sleeved clothing.

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

SAFE AND ENGAGED WORKFORCE CONTINUED

Security

National, regional, and local security issues and trends are outlined in Kenmare's Security Strategy. It also outlines the capacity of the relevant authorities to respond to and manage those issues. Potential risks to employees and contractors, property and assets and community safety are assessed by the security team. Kenmare works to ensure that human rights are protected in the use of security-related force to protect the Mine and to meet the Voluntary Principles on Security and Human Rights.

Kenmare's 176 unarmed security personnel, including 20 contractors, work alongside the local police and national armed services. During 2023, the number of security incidents at site decreased by over 21 % since 2022 but by 51% relative to 2021. Kenmare security forces experienced no violence from the perpetrators of criminal activity in 2023.

Kenmare's Security Strategy focuses on the development of the Company's human and technological security resources, to protect people, prevent theft and monitor potential risks associated with the insurgency. Its investment in surveillance technology has been particularly effective in providing real-time data analytics about thefts and the impact on production and has reduced security personnel's exposure to the risk of violent crime. In 2023, multiple surveillance units were installed at WCP-B, based in Pilivilil, situated 30km south of the camp and Mineral Separation Plant. These units identified, in real time, the perpetrators of 29 cases of cable theft, resulting in the prevention of 16 of these thefts and recovery of stolen cable in 5 cases. Over the next two years, Kenmare plans to install more surveillance units across the entire Mine site and use surveillance data to adapt the response to criminals' evolving behaviour and new techniques.

Although it remains an area of ongoing challenge, Kenmare continues to use intelligence to secure more convictions. External legal support also has helped to improve the conviction rate with 77% of police investigations leading to arrests and a third of all arrests now resulting in court cases.

Kenmare continues to monitor the potential risks from the insurgency in the Northern province, Cabo Delgado. The likelihood that the LNG project offshore Cabo Delgado will resume in 2024, provides hope of potential stability in the region. The naval security boat, funded by Kenmare, will be operational in 2024 and will improve marine based security, mitigating sea-based insurgency threats.

VOLUNTARY PRINCIPLES



Kenmare has Memorandums of Understanding (MoUs) with the Provincial Police Command in Nampula and the Ministry of National Defence, for the provision of public police and naval security forces in and around the mining concession. Under these MoUs, Kenmare contributes to the financing of equipment and salaries of the security forces. The MoUs state that the public security forces providing security services to the Mine must uphold the Voluntary Principles on Security and Human Rights (VPSHR) and the United Nations Basic Principles Relating to the Use of Force and Firearms by the Law Enforcement Officials. In support of this, an internationally recognised, certified, and independent third party provides training on the implementation of the Voluntary Principles twice a year. These sessions consisted of the training of 145 security personnel, each participating in two training sessions during the year. The workshops covered: The Universal Declaration of Human Rights (1947); the International Covenant on Civil and Political Rights (1966); the International Convention on Economic, Social and Cultural Rights (1966); the International Labour Organisation Declaration on Fundamental Rights at Work (1998); as well as Kenmare case studies and shared learning examples.

77%
of police investigations led to
arrests

REFLECTING ON KENMARE'S COMPANY PURPOSE



In 2023, the on-site team hosted a Purpose Workshop attended by a representative sample of employees from all levels of the organisation with the Managing Director, COO, General Manager and Operations Manager in attendance.

The Purpose Workshop aimed to define what Kenmare's purpose meant to attendees, with the aim of creating alignment on the key goals of the Company. Key take aways from the workshop was the need to avoid siloed thinking and working, engage all stakeholders, and deliver on Kenmare's commitments.

Gordon Christopher, Security Manager, who participated in the event said: "The workshop created an ideal platform to review our company purpose, and ensure it resonates for all. Getting to hear a broad range of opinions from across the Company on why we wake up every morning, what differentiates us and getting closer to a truly uniting purpose that is used and felt was motivating for all attendees."

Kenmare's people, culture and values

Kenmare aims to recruit and retain a highly qualified, skilled and diverse workforce, with a culture that puts safety first and enables people to make use of all their talents in their work. To achieve this ambition, Kenmare provides a safe, inclusive work environment and supports employees with training and opportunities to develop their skills and make progress in their careers.

Kenmare's Employment Policy sets out the Company's standards on diversity and inclusion, freedom of association and labour practices and the expectations of its employees, contractors and suppliers.

LOCALISATION

The proportion of Mozambicans permanently employed by the Mine is 97%, exceeding the 95% regulatory requirement. The Company is building its pipeline of future Mozambican talent through internships, its Technical Development Programme and Graduate Development Programme.

In addition, the Engineering Gap Training Programme, the Supervisory Development Programme aimed at mid-level managers, and the Full Role Delivery Programme for leaders, supervisors, superintendents, and managers, all build the capacity of its workforce.

In 2023, Kenmare also provided a number of new development programmes. These included the "Next HME Operator concept", where HME operators gain the skills to move on from basic operations to take on responsibility for maintenance and care of the equipment. Other initiatives include: the Tom Dobell Programme, helping skilled workers to develop and achieve higher standards; the Mentorship Programme, where ten individuals identified as top talent will be mentored and on-the-job coaching for managers, superintendents, and supervisors. Kenmare will also provide bursaries for students studying technical roles under the "Programa Padrinho" in a partnership with the Universidade Eduardo Mondlane.

"HEARING STAFF FEEDBACK IS A PRIORITY FOR ME, WHICH IS WHY I INTRODUCED THE 'ONE HOUR WITH THE GENERAL MANAGER' WHERE EACH WEEK, A MEMBER OF STAFF CAN PRESENT THEIR FEEDBACK ON AREAS FOR IMPROVEMENT OR TO GENERATE MORE VALUE FOR THE BUSINESS, WHICH PROVIDES ME WITH INVALUABLE INSIGHTS."

HIGINO JAMISSE, GENERAL MANAGER



SAFE AND ENGAGED WORKFORCE CONTINUED

Diversity and inclusion

The Company is working to develop the diverse workforce needed for its business success and to address the particular challenges relating to unequal gender representation at all levels.

During 2023, Kenmare's Board was made up of nine members, with female representation at 33%. In January 2023, Issa Al Balushi, a new representative of the Oman Investment Authority (OIA), Kenmare's largest investor, joined the Board. Kenmare's Executive Committee was made up of 11 members, with 18% female representation.

At the Moma Mine, women make up almost 16% of the workforce (2022: 14.5%), and 40% of the senior management team (2022: 25%), with women holding key management positions in operations, mining, the Mineral Separation Plant, finance, health and safety, environment and as a deputy country manager.

Kenmare has several initiatives to build the pipeline of future female employees. Approximately 50 internships are offered each year and preference is given to female applicants. The two-year Graduate Development Programme provides on-the-job training and development in junior roles across all departments and has a target of recruiting 60% women. Similarly, the Technical Development Programme, involving a one-year placement in technical departments has a target of 90% women. Kenmare also runs a Gender Accelerated Leadership Programme, which in 2023 included two women identified as candidates for middle management positions.

Kenmare is committed to addressing the under-representation of women at the Mine and has made good progress on this goal. Achieving Kenmare's target of 20% female representation at the Mine by 2025 will nevertheless be challenging. Cultural expectations mean that few women have entered the Mozambican mining industry historically and there are limited further education options for women in the local district and province. In addition, the nature of the rotational working patterns at the Mine for those who have to travel in from elsewhere in the country can mean that women have to spend long periods away from their families.

The Company helps to mitigate these challenges by providing four months' maternity leave, above the two months legally required and providing flexible rosters which enable women to have shorter on rotation shifts in the first six months after returning from maternity leave.

Separately, Kenmare's policy of recruiting only women as Heavy Mobile Equipment operators has brought benefits to the Company as female operators have a good safety record and those recruited from the local communities are likely to stay in their jobs longer than male recruits. Training initiatives are also in place to recruit more female employees, such as a target of 90% of Kenmare's Technical Development Department candidates to be women.

SPONSORING LOCAL FEMALE TALENT



Inês Domingos Manuel was born in Nampula city, and currently lives in Mititicoma village. Inês studied Civil Engineering at the Topuito Technical College, built by KMAD, and graduated in December 2023. Inês was supported with a Kenmare bursary during her studies. She says that without this support, completing the course would have been incredibly challenging. The bursary covered her tuition fees, and expenses such as transportation, food and basic personal necessities. Inês is currently on Kenmare's Technical Development Programme and works as a boilermaker. She aspires to advance to a senior position within the maintenance department.

Inês acknowledges it is challenging being female in an engineering environment, but is nevertheless determined to be successful, saying "being an engineer has always been my dream career, and no challenge will stop me from doing what I love".

In terms of advice Inês would give to other students, she says, "while many students aspire to work at Kenmare, it's important to remember that opportunities extend beyond a single company. The true reward lies in the knowledge gained. Don't lose motivation, keep pushing forward, and strive to excel in your field. The future holds great things for those who dedicate themselves relentlessly."

Developing female talent in the community

To improve opportunities for women in the area to study for a qualification, KMAD built a Technical Training College in Topuito which provides courses leading to a Vocational Certificate – Level 5 qualification. In 2023, its fifth year of operation, the college had a total of 224 students enrolled, 34% of whom were young women. Kenmare has sponsored a total of 105 female students to date and, at the end of 2023, the first intake of 55 students graduated from their three-year courses. They graduated with qualifications in civil or mechanical construction, or industrial electronics. Of these students, Kenmare sponsored 23 female bursars and provided internships within Kenmare or with suppliers.

Labour practices

The Company's expectations and its commitments to its employees are set out in its employment policy and include requirements to comply with relevant national laws and its employment standards. Kenmare complies with laws relating to applicable wage, work hours, overtime, and benefits. Kenmare's conditions of employment set out maximum working hours and the Company carries out checks to ensure no one under the age of 18 is employed. In 2023, entry-level wages at Kenmare were more than double the rate set by the Government and levels of pay are competitive with the local labour market and wider industry. Full-time employees receive a range of benefits, including healthcare, personal accident cover, parental leave and retirement provision and managers can take part in the Company's share awards scheme.

Kenmare respects employees' right to freedom of association and collective bargaining without interference and freedom from discrimination. Almost half of the Company's Mozambican workforce are members of the trade union, SINTICIM. Kenmare engages in proactive and transparent dialogue with employees and trade unions. The General Manager and HR manager also attend quarterly and annual review meetings with the Union to negotiate salary rises and conditions of employment.

CULTURE AND COMMUNICATION



Kenmare prides itself on being an organisation where employees can continue to grow and develop over many years. Every two years the Company hosts a Long Service Awards ceremony, where the service of employees is celebrated. Employees who have reached the milestone of 10, 20, or even 30 years of service are invited. Kenmare is proud of the long-term commitment many of its team members have made to the success of the business.

Kenmare also actively communicates with its employees using a range of channels and approaches. The General Manager gives a quarterly presentation to all site-based staff on topics such as Safety, Company performance, People and Corporate Social Responsibility. 'Salama' is the company's popular quarterly printed magazine featuring Company wide news and people profiles.

In 2023, several new initiatives to strengthen employee satisfaction were introduced. These included "One hour with the General Manager", where Moma employees can apply to meet one-on-one with the General Manager, sharing opportunities to improve Moma's culture, deliver operational efficiencies and implement initiatives to benefit employee wellbeing.

"KENMARE'S MANY AND VARIED ENGAGEMENTS WITH TRADE UNIONS, BASED ON MUTUAL RESPECT AND DIALOGUE, UNDERPIN THE COMPANY'S STABLE INDUSTRIAL RELATIONS."

CAETANO AMURANE
HEAD OF HUMAN RESOURCES



SAFE AND ENGAGED WORKFORCE CONTINUED

Training and development

Kenmare's commitment to supporting and developing its 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 2023, Kenmare invested \$1.2 million to provide 75,000 hours of training, equivalent to \$715 per person at the Moma Mine, primarily focused on safety, supervisory and leadership development, and enhancing specialist skills.

The iNNERSHIP "Leadership Coaching Programme", first introduced in 2021, continued into 2023 and supported 186 Heads of Department, Superintendents and Supervisors with coaching, safety leadership, as well as self-awareness and self-development.

In 2023, a programme called "Full Role Delivery" was rolled out to all Heads of Department and Superintendents. This builds on the Leadership Coaching Programme and will help Kenmare's Leaders build skills in accountability, planning, effective delegation and providing good direction and coaching to their teams.

In 2024, Kenmare will continue to embed this programme and plans to make it available to Supervisors in future years.

Over 167 team Supervisors, completed a new Supervisor training programme and a further 137 employees, working in mechanical, electrical and boilermaker trades, undertook a two-month specialised vocational training programme. Kenmare's Heads of Departments, Superintendents, safety officers and training personnel also took part in the NOSA occupational health, safety and environmental management system and NOSA audit training programmes.

Career progression

In the most recent biennial employee engagement survey, undertaken in 2022, employees provided feedback on wanting more career progression opportunities within the Company. Kenmare has responded to that feedback through additional training and development opportunities and engaged an external consultant and initiated the career path project which involves profiling of all mine positions and the potential career paths for each role. That exercise involved establishing the purpose, skills, knowledge, experience, education, and essential soft skills required for each employee to succeed in their role, laying the foundation for career advancement.

ORGANISATIONAL DEVELOPMENT



Benjamin Chachuaio is Kenmare's Organisational Development (OD) Manager, a new role he took on after six years as Deputy HR Manager. This role is responsible for defining the OD strategy to develop employee and leadership capability, and to manage talent and career progression, which contributes to the success and performance of the organisation. Benjamin leads on the OD strategy implementation through a range of programmes including tracking employee engagement via the biennial survey and designing performance management approaches.

During 2023, Benjamin managed the "Full Role Delivery programme", a follow-up to the Leadership Coaching Programme which ran in 2021 and 2022. This programme clarifies the role of each leader, their responsibilities, ensuring they operate at the right level, and effectively allocate time between planning, team coaching and management, and delivering. Benjamin commented: "On successful completion of the programme, we expect leaders to fully understand their role, their gaps and have a clear plan to address those gaps. Participants have received the programme very positively and are empowering their teams to make decisions, embracing and learning from mistakes, and building trust, facilitating more open dialogue about challenges."



SAFE OPERATIONS ARE THE FOCAL POINT OF EVERY ACTIVITY AND AN IMPORTANT ELEMENT IN DECISION MAKING AT EVERY STAGE OF THE COMPANY'S WORK. KENMARE'S LEADERSHIP IS DEDICATING MORE HOURS TO COACHING IN THE FIELD TO ENSURE EVERYONE GOES HOME SAFE AT THE END OF EVERY SHIFT.



THRIVING COMMUNITIES

KENMARE'S MINING CONCESSION OCCUPIES 34,000 HECTARES OF COASTAL AREA, WHERE 45,000¹ PEOPLE LIVE IN THE LOCALITIES DIRECTLY OR INDIRECTLY AFFECTED BY MINING ACTIVITIES.

The site is not fenced and local people live and work in and around the site. The Company understands that effective relationships with its host communities are critical to its licence to operate and it works closely with them to improve local facilities and opportunities.

¹ Includes localities of Topuito, Pilivilil and Mpaco, according to latest Government census data

Achievements

- ▶ 23 Kenmare-sponsored female students graduated with engineering qualifications from the KMAD-built Topuito Technical College
- ▶ Contract for Larde Hospital signed for construction to begin in 2024 which, when completed, will provide medical treatment for the whole district
- ▶ More than 11,800 children now learn in improved school infrastructure in the area
- ▶ Three water supply systems were built or restored, adding to the 30 boreholes built by the Kenmare Moma Development Association (KMAD) since 2004, which supply water to approximately 45,000 people

Challenges

- ▶ Poor fishing catches reduced local spending power, in turn impacting micro-enterprises
- ▶ Teacher capacity building programme faced challenges and will be restarted in 2024
- ▶ Community road safety awareness

Standards and guidelines

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

Material topics

- ▶ Socio-economic development
- ▶ Land use
- ▶ Community relationships

Stakeholders

- ▶ Communities
- ▶ Government
- ▶ Suppliers
- ▶ Employees
- ▶ Investors

Sustainable Development Goals



\$4.7m

Invested by KMAD in community projects

385

People employed or receiving an income from KMAD-sponsored micro-businesses (2022: 341)

5

Villages in Pilivilil now have electrical power via grid connection

74%

Completion of KMAD three-year plan

THRIVING COMMUNITIES CONTINUED

Risks and opportunities

Socio-economic contributions, land use, community relationships and security are the most significant areas of concern to both communities and Kenmare. These issues present a risk to Kenmare's social and regulatory licence to operate. Effective management of these concerns can mitigate risks and also provide an opportunity to bring economic and social benefits to local communities.

Engaging with host communities

Kenmare's community team is responsible for engagement with communities and local authorities and for managing both the Environmental and Social Impact Assessments (ESIA) associated with the current and future mine path, including resettlement action plans. This work is one element of Kenmare's proactive stakeholder engagement, underpinned by a commitment to meeting the requirements of Mozambican law and IFC Performance Standards in the resettlement of communities affected by the Mine.

In addition to meeting its regulatory obligations, Kenmare funds and oversees the work of the Kenmare Moma Development Association (KMAD). The Company established this not-for-profit association in 2004 and KMAD works with communities, local authorities, and NGO partners to deliver development programmes and projects.

KMAD'S THREE-YEAR STRATEGIC PLAN HAS FOUR PILLARS:

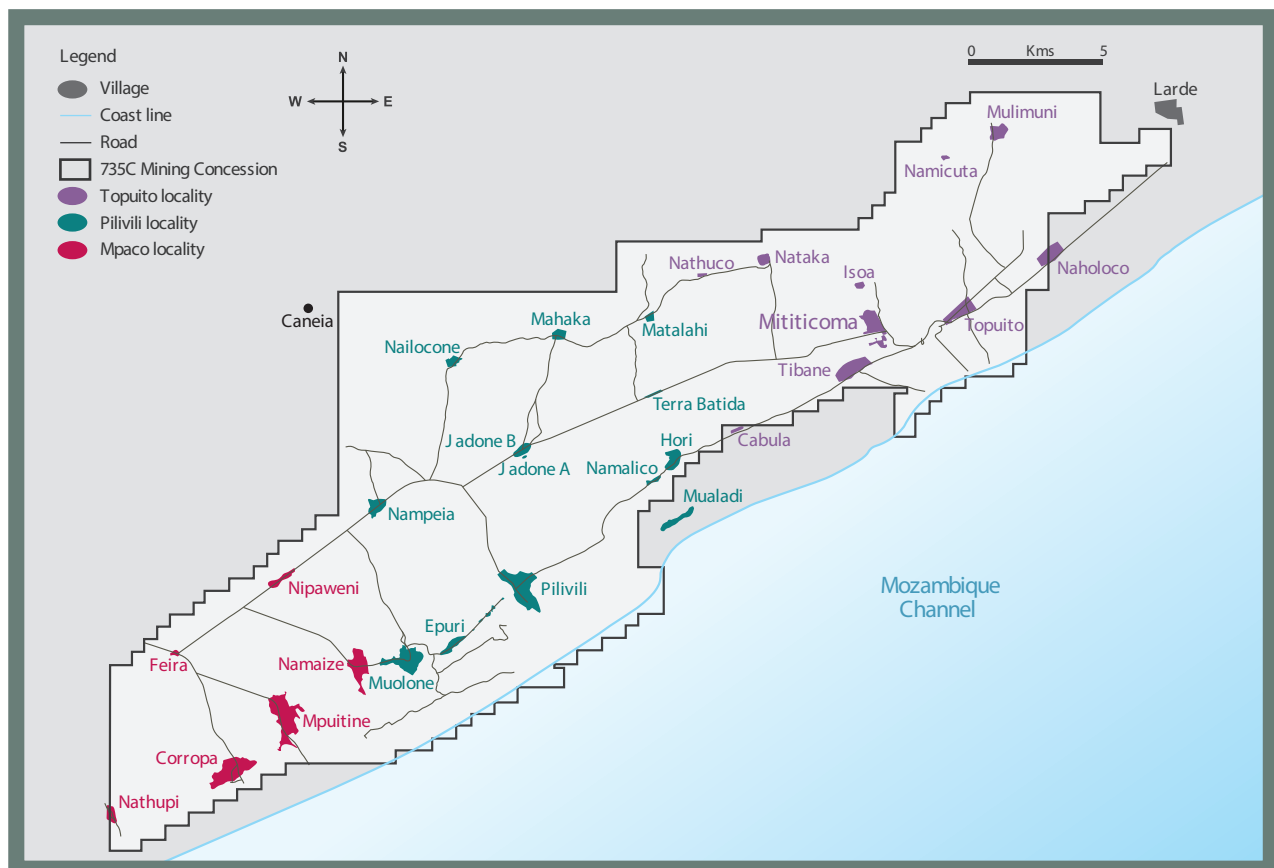
1. Livelihoods and economic development
2. Healthcare development
3. Educational development
4. Water and sanitation

Socio-economic development

Approximately 21,000 people from 4,200 families live in the Topuito locality where mining began in 2007. This area includes the villages of Nathuco, Nataka, Mititicoma, Isoa, Tibane, Cabula, Topuito, Naholoco and Mulimuni. Mining began in the Pilivili and Mpaco localities in 2020 and approximately 24,000 people from 4,800 families live in the villages of Pilivili, Epure, Muolone, Mpuitine and Namaize.

KMAD provides development programmes in the Topuito, Pilivili and Mpaco localities. Results of these projects are monitored carefully and KMAD receives feedback from local communities. This feedback and lessons learned are incorporated in the three yearly update of KMAD's strategic plan. KMAD has currently completed 74% of its 3-year plan. For more information on KMAD's activities, see the 2023 KMAD Report on Kenmare's website.

Villages directly or indirectly affected within the Moma Mining concession



2023 KMAD achievements and challenges

Overview of the achievements and challenges in 2023, the second year in KMAD's latest three-year strategic plan (2022-2024).

LIVELIHOODS AND ECONOMIC DEVELOPMENT	HEALTHCARE DEVELOPMENT	EDUCATIONAL DEVELOPMENT	WATER AND SANITATION
Strategic goals			
Fostering the development of local businesses as well as the transfer of skills to key local industries, such as farming.	Improving healthcare infrastructure to ensure capacity development, funding the training of nurses, and promoting healthy lives.	Support of all educational initiatives, including the development of infrastructure, support of vocational training and sponsored scholarships.	Improving and expanding existing water supply systems, establishing integrated water management systems and promoting improved hygiene and sanitation practices.
Achievements			
<ul style="list-style-type: none"> ▶ \$87,000 provided in interest-free loans, in conjunction with technical training, to help local entrepreneurs establish new micro-businesses ▶ 22 new micro-businesses funded are now in operation benefiting 385 people, 33% of whom are women ▶ A Conservation Agriculture (CA) programme supported over 600 farmers in improved farming techniques ▶ Construction of food and general stores market in Tibane 	<ul style="list-style-type: none"> ▶ 19,700 consultations at the Mititicoma health centre and 29,000 consultations at the Pilivili health centre ▶ Quarterly mobile clinics for vulnerable people continued, 113 vulnerable households attended consultations ▶ Construction of a health centre in Cotocuane ▶ Contract for the construction of a district hospital signed 	<ul style="list-style-type: none"> ▶ Construction of Cotocuane and Nacucua school blocks; staff housing at Mititicoma completed ▶ Construction of Nataka and Naholoco school blocks underway ▶ Distribution of over 11,000 school material kits ▶ Graduation of first sponsored university scholar ▶ First graduation from Topuito Technical College ▶ Contract for electrification of five villages in the Pilivili area signed with EdM, national electricity provider 	<ul style="list-style-type: none"> ▶ New water system handed over in Muolone ▶ Repair of Naholoco water system concluded ▶ New water system concluded and handed over in Mititicoma ▶ New Cabula water system underway ▶ Trial of Certeza – water purification treatment - successfully rolled out to three villages
Challenges			
<ul style="list-style-type: none"> ▶ Poor fishing season impacted spending power of local consumers, which in turn reduced microbusinesses' ability to repay loans 	<ul style="list-style-type: none"> ▶ Despite the indoor spraying programme and provision of mosquito nets, malaria remains one of the biggest challenges and cases remain high 	<ul style="list-style-type: none"> ▶ Teacher capacity building project to improve literacy and numeracy teaching techniques postponed 	<ul style="list-style-type: none"> ▶ Finding suitable partners to implement water management services

THRIVING COMMUNITIES CONTINUED

Livelihoods and economic development

As part of its work to create jobs and sustainable economic growth, KMAD provides interest-free micro-loans, with a three year payback time, to help local people set up new businesses. In 2023, these loans have supported a laundry, bakery, grocery shops, mobile banking and an enterprise selling plastic domestic utensils.

Another area of focus is to teach local farmers the skills and techniques to improve the productivity of their land and protect their crops from droughts and flooding through a Conservation Agriculture programme.

At the beginning of every year a forum of local leaders and KMAD representatives considers all the proposals for new businesses. They evaluate projects against several criteria including the trustworthiness of the applicant and whether they are residents of the village. The forum also considers if the proposer already has a government loan and aims to avoid duplicating projects in the same village. The successful proposals are chosen through negotiation between KMAD and the community. A variety of training is provided to the business owners who receive funding as well as continuous monitoring and support even after the loan has been repaid.

To enable host communities to maximise the economic opportunities associated with the Mine, KMAD also funds business projects that employ vulnerable people and those that supply local produce, such as eggs, fruit and vegetables. This supports local people and can be a cost-effective sourcing option for Kenmare.

In 2023, KMAD provided \$87,000 (2022: \$76,000) in interest-free loans to 22 new micro-businesses (2022: 23) across the Namalope, Pilivili and Mpaco areas. A total of 102 income-generating projects are now supported by KMAD (2022: 89). Over the year they generated revenues of over \$940,000 (2022: \$660,000) and provided employment or an income to over 385 (2022: 341) community members.

Running a small business is challenging and in 2023 a number of businesses performed poorly relative to previous years. This was principally down to a poor fishing season which reduced the spending power of local consumers. Despite the unfavourable economic conditions, some projects, such as mobile banking, vegetable supply, sewing, a motor repair shop and community nurseries managed to repay their loans. Lessons learned from both projects that work and those that do not succeed, are shared with the community.

KMAD MICRO-LOAN FOR FISHING EQUIPMENT BUSINESS



Antonio Luis Comida, 49 years old and a father of six, was born in Zambesia Province and has been a resident of Pilivili, in Moma District for more than 30 years. Antonio has been selling groceries in Pilivili since the late 1990s.

As part of the financing for small businesses provided by KMAD, in 2020 Antonio together with his brother, Jose, received a loan of \$8,000 to expand his business to sell fishing material. He matched KMAD's funding with his own money. He successfully grew his business which meant Antonio could repay the loan over 27 months and develop new business lines such as the sale of household electrical goods, construction materials and salt production. Antonio's next plan is to buy a vehicle to help his business expand.

As a result, Antonio has a monthly income of \$12,000, which has helped him to build a house in Nampula and pay for the professional training for his daughter and niece who today are teachers.

Conservation Agriculture

KMAD continued to support farmers by teaching them Conservation Agriculture (CA) methods to improve agricultural productivity. CA methods include mulching of biomass to create a natural fertiliser, which also provides protection from the natural elements; intercropping; improved diversity of crop types; crop spacing; and the avoidance of burning to clear land. New CA beneficiaries are provided with good quality seeds, to support the growth of resilient and healthy crops, and are taught techniques to improve the quality of seeds produced from their crops, for future planting.

In 2023, over 600 farmers took part in the project, farming an area close to 300 ha, of which 154 farmers were new beneficiaries that started that year. While overall, farmers practising CA techniques experienced a steady yield advantage of 35%, there was a decrease in production of crops in 2023 compared to the year before due to irregular rainfall during the growing season.

Vulnerable people

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



CONSERVATION AGRICULTURE



As agriculture is the main livelihood for Mozambican families, KMAD has had programmes in place to support local farmers to improve their agricultural productivity and incomes since 2011.

One initiative is the Conservation Agriculture (CA) programme, which modifies traditional agricultural practices to both improve productivity and preserve the environment. These are simple techniques that range from soil management to intercropping, delivering significant productivity improvements.

Omar Abdala Abacar, aged 59, a father of 18 children, started using CA techniques in 2016 after being encouraged by one of his wives. Initially Omar was doubtful of the benefits, and so experimented with a small area of 0.5 ha. He farmed half of this using CA techniques and the other half using traditional methods.

It was not long before Omar saw the positive impact of CA. On the 0.25 ha he farmed using the traditional methods, he produced 90kg of beans, 140kg of peanuts and 450kg of cassava. Whilst using CA techniques his yields improved to 250kg of beans, 300kg of peanuts and 800kg of cassava. In 2020, Omar increased his field size to one hectare. Before using CA techniques, Omar had low production levels so that even feeding his family was a challenge at certain times of the year. Now, using CA techniques, Omar can produce significantly more than his family needs. He sells the surplus produce and has used the funds to build a brick house and pay the school fees for his three children of school age.

THRIVING COMMUNITIES CONTINUED

Local procurement

Kenmare is committed to building the capacity of local suppliers through training courses and sponsorship. Large contracts are also split into smaller sub-contracts to provide opportunities for smaller companies to compete while Kenmare also requires international suppliers to procure from local businesses.

In 2023, Kenmare ran four Supplier Forums to help new suppliers understand the Company's tender process. The Forums also explain where suppliers can find out about requests for goods and services, highlight plans for future tenders, as well as providing technical advice. A further four events focused on financing for local suppliers and two focus group sessions were held to discuss how Kenmare can stimulate more local procurement opportunities.

Kenmare's approach is underpinned by clear ESG targets in its scorecard to increase the proportion of goods and services it procures from Mozambican and provincial businesses. The target in 2023 was to increase the proportion of operating expenditure with local suppliers by 3% relative to 2022. Kenmare exceeded this target, growing spend by 3.2% in 2023 to \$79 million (2022: \$76.5 million). A second KPI set a target of four new contracts with local businesses. This target was exceeded by signing six new contracts for electrical services, health care services, pest control and

employee transportation. Spend with Mozambican fuel and electricity providers increased by 15% from \$41.0 million in 2022 to \$47.3 million in 2023, with growth for non-inflation reasons.

Operating expenditure with suppliers from Nampula province, where the Mine is located, increased by 1% from \$30.9 million in 2022 to \$31.3 million in 2023. This mainly reflected increased spending on trucking and general materials supply.

Industrial Free Zone

Kenmare has a partnership with Moz Parks, a Public Private Partnership between the Mozambican Government Agency for Investment & Export Promotion (APIEX) and Swiss-Mozambican investors. Moz Parks invests in industrial parks and special economic zones in Mozambique and set up the Topuito Industrial Park (TIP) in 215ha of formerly mined land in Namalope. The TIP is Moz Parks' first expansion outside Maputo and builds on its 23 year experience of running a successful industrial park in Matola, which is home to 50 industrial businesses including Mozal Aluminium Smelter as the anchor client.

In 2023, Moz Parks obtained Industrial Free Zone status for the TIP. This provides exemption from corporate income tax for the first ten years of operations, and tapered exemptions thereafter, providing additional incentives for local suppliers to base themselves there.

LOCAL PROCUREMENT



Mepomax has been working with Kenmare since 2018 and provides civil construction, boiler making, fibre optic work, rigging and general cleaning services. When it started, Mepomax had eight employees but now employs 50 people from the locality.

Between 2018 and 2023, contracts with Kenmare have enabled Mepomax to increase its revenues fourfold. As the business has expanded, Mepomax has invested in the capacity of its team through external training. It has also funded local infrastructure to provide a workshop and a camp for its technicians. To protect the economic sustainability of its business, Mepomax has been diversifying its work and has undertaken projects for Tmccl, Huawei, CFM and Vodacom. Services have included civil work for mobile towers, erecting mobile towers, radio equipment installation, optic fibre and microwave installation and commissioning as well as supplying PPE equipment.

Mepomax intends to grow further and build its reputation as a trusted employer and provider of quality services. Archford Lucas T Munyuki, CEO and Gibson Lucas Tachiua Munyuki, Finance Director (pictured) commented: "Through Mepomax's commitment to continuous improvement and performance management, we have been able to introduce incentive benefits to our staff, reduce the number of health and safety incidents, and improve the company's ability to deliver quality service on-time and on-budget. We are proud to be recognised by Kenmare in receiving the best local supplier certificate of 2023."

It has contracts to provide warehousing, workshop and accommodation facilities to support Kenmare's suppliers and other agro businesses. It has also secured \$5 million in funding from the World Bank to build an SME-incubator, which will begin construction in 2024 and will provide infrastructure and services to micro-businesses looking to establish themselves in the locality. Six local suppliers have so far signed contracts to locate at the TIP.

Healthcare development

As part of Kenmare's commitment to sustainable development, KMAD funds infrastructure to improve access to healthcare. Projects include building medical centres and pharmacies, donating ambulances, developing the skills of medical staff and supporting community health awareness initiatives.

In recent years, KMAD has built and handed over to government and communities three health centres in Mititicoma, Pilivili and Cotocuane. These centres include a maternity facility, a main treatment unit, houses for medical staff, and water and solar power supply.

In 2023, 19,700 and 29,000 consultations took place at the Mititicoma and Pilivili health clinics respectively. This represented a 7% and 18% decrease respectively, relative to 2022. The Cotocuane clinic was only built in 2023, so data has yet to be collected. While malaria continues to be the primary reason people seek medical care, there was a 29% reduction in the number of people diagnosed with malaria compared with 2022. This was largely a result of the extensive spraying programme KMAD undertook in the villages. Fever and diarrhoea were the second most common ailments for which people sought medical attention, with almost 5,900 adults and children seeking treatment for fever and over 1,000 patients seeking treatment for diarrhoea. There were no diagnoses of cholera but 46 of tuberculosis in 2023.

There was further progress with the plans for the building of the Larde Hospital, which is projected to cost approximately \$5-6 million and will be completed by 2028. Designs for the 50 bed hospital were finalised through a Memorandum of Understanding signed with the Ministry of Health. A contractor has been appointed, and construction is expected to start in H1 2024. KMAD is seeking funding from donors to provide the hospital with key equipment on its completion and to help fund, for the first two-year period, the salaries of doctors and nursing staff providing medical care.

KMAD also funds a mobile health clinic for Vulnerable People. This provides care for elderly and fragile people, those with disabilities or women from single-parent households who would find it difficult to attend community health centres. In 2023, in collaboration with the Health Department, this mobile clinic provided quarterly check-up clinics attended by 113 households.

Mother and child healthcare services

Healthcare and support for mothers and children continued to be provided, in addition to education for midwives who work both in the clinics and the villages. The number of women giving birth in clinics was 1,891 (2022: 1,597). The number of home births also increased to 19 in 2023 (2022: 7).

Community health awareness

The main topics covered in the 2023 community health programme were reducing the risk of diarrhoea, the risks of contracting HIV and AIDS, and malaria prevention. There was also a focus on tuberculosis, maternal health, nutrition, and family planning. Across Topuito and Pilivili, community volunteers conducted 995 (2022: 328) sessions in the health clinic and 1,981 (2022: 2,333) sessions in the villages, mainly using group discussions to raise awareness.



THRIVING COMMUNITIES CONTINUED

Educational development

Education is at the heart of KMAD's approach to sustainable development. Until recently, its primary focus has been on funding classrooms and other educational infrastructure. Where necessary these projects will continue to be supported but funding is now being increasingly directed towards training of teachers to develop their skills and in providing sponsorship to provide access to further education.

School infrastructure

New school blocks were built at existing school infrastructure in Pilivilil and Muolone. In addition to the school in Nataka built in 2014, the construction of an additional new school block is underway and 85% complete.

As part of Namalope West Resettlement Action Plan, a school block in Nacucua, which operates as a satellite to Namathoro School, was constructed. Children from Nacucua now no longer need to walk 18km to school.

In Cotocuane, a school block comprised of four furnished classrooms with toilets was also completed and delivered.

A school block of three classrooms, administration room and staff accommodation is being added to the school in Naholoco, following the arrival of Isoa families in the new resettlement village.

In 2023, KMAD provided school materials to almost 6,000 pupils from grades 1 to 6 and 78 teachers in the Namalope area. In the Pilivilil area school materials were distributed to 5,820 pupils from grades 1 to 6.

Although not one of the planned activities, KMAD supported the opening of a library in Pilivilil by donating 170 books for grade 8 to 10 students as well as over 20 chairs and six tables. On average 20 pupils are attending the library each day.

NEW SCHOOLS BUILT IN PILIVILI AND MUOLONE



In 2023, KMAD financed and built two blocks at existing schools in Pilivilil and Muolone. Each block has three classrooms, an administration office and male and female toilet facilities. Each block was provided with 105 desks for pupils, six desks for administration staff plus a meeting room.

Santos Marcelino Traça, Principal of the Pilivilil primary school and ZIP (teaching influence area) coordinator, believes that the new infrastructure has contributed significantly to improvement in the teaching and learning environments. Previously in Pilivilil alone there were over 900 students studying in the open air which led to high levels of absenteeism.

With the new classrooms, all students are indoors and seated at desks which has increased attendance and improved academic results.

The ZIP coordinator added that the school management have also benefited from better working conditions. They previously did not have their own offices and had to share offices in the secondary school over 1km away which made their day-to-day performance more difficult. The new school block has also given them connection to the electricity network.

Scholarships

In 2023, KMAD supported a total of 305 (2022: 250) scholarships. 181 of these were ongoing secondary school scholarships and 106 were new, of which 32 vulnerable people were supported, and 18 scholarships were awarded for university degree courses. Of these scholars, 36% were female. The 185 scholarship students at the Topuito Secondary School, achieved an 92% pass rate (2022: 95%) and of the 46 scholarship students at the Moma Secondary School, there was a 100% pass rate (2022: 95%).

EDUCATIONAL DEVELOPMENT: BUILDING TEACHER CAPACITY

In 2023, Kenmare worked with an NGO to build teacher capacity so they could improve school children's literacy and numeracy rates. Unfortunately, the specialist NGO was unable to deliver this programme in 2023. One of the challenges experienced was that teachers participating in the programme, which had been approved by the Ministry of Education, requested additional compensation. By the end of the year, Kenmare had terminated the programme and identified a new partner to restart the initiative in 2024.

Water and sanitation

Water, sanitation and hygiene (WASH) is a major issue for Mozambique. It has one of the highest open defecation rates in sub-Saharan Africa (36%) and in rural areas, one out of five people use surface water as their primary drinking water source.¹

Tackling these issues has been a key priority for KMAD's programmes since its inception and water and sanitation is a strategic pillar of the 2022-2024 KMAD Strategic Plan.

Over the last 18 years, KMAD has drilled over 30 boreholes, to provide clean water for approximately 45,000 people and reduce the need for women and children to travel long distances to collect water from local rivers.

Tackling sanitation-related health issues remains a key priority and KMAD is bringing together host communities and local authorities to develop and find sustainable solutions as well as develop the capacity of the local community Water Committees. A particular problem is the lack of latrines and the sanitation habits of local communities, exacerbated by an increasing population. This has led to contamination of some boreholes making the water unsafe to drink.

To address this, in 2023, KMAD began rolling out a government-approved water treatment, Certeza, in one of the villages, Mulimuni. The trial was successful with high acceptance of the water treatment and Kenmare worked with government to roll out the treatment to Nataka and Nathuco as well. This will allow communities to drink the water without having to boil it and will help minimise cases of diarrhoea and cholera. KMAD will now work to support the roll out of Certeza to all communities within the mining concession.

¹ <https://www.unicef.org/mozambique/en/water-sanitation-and-hygiene-wash>



THRIVING COMMUNITIES CONTINUED

Land use

When Kenmare plans to develop its operations, host communities and the government are consulted on the potential impacts. An independent consultant then carries out an Environmental and Social Impact Assessment (ESIA) before any new development project begins. The ESIA guides operations and provides Kenmare with an understanding of the effects on local communities and sets out ways to manage and address related impacts and opportunities.

If the plans require the displacement of homes and machambas (farmsteads), 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 ensures that appropriate information is provided and that those affected are consulted and informed about the plans and receive fair and timely compensation for loss of assets. The approach provides adequate housing and security of farming tenure at resettlement sites and aims to improve the living conditions of people being physically displaced.

Kenmare's commitments and the approach are set out in a Resettlement Action Plan (RAP). This typically includes consideration of livelihood restoration, construction of new houses and associated community infrastructure, relocation of graves where required, compensation for the temporary or permanent 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 plan for the Mine can be implemented.

In 2023, the focus of community engagement was for the Isoa Tailings Storage Facility and Nataka ore body development. There were ongoing grievances about the level of crop compensation. Kenmare uses government approved prices as a guide, but some community members feel this is too low. Kenmare has been working with the government to update its price table, (last updated in 2019) for two years, however, this has not happened, and so Kenmare has moved ahead with its own table adjusting for Mozambican inflation since 2019.



Community relationships

Kenmare uses its engagement with host communities to ensure their priorities are at the centre of operational decisions. These engagement activities reflect the Company's stakeholder engagement policy and associated procedures and aim to gain a full understanding of the impacts of Kenmare's mining activities on the lives of the people living nearby.

Kenmare has a participatory and partnership-based approach to engagement and 20% of the Company's dedicated community relations team are from the locality. They all speak both the local language of Makhuwa and the national language of Mozambique, Portuguese. The team employs various modes of communication to convey messages and ensure the communities' views are heard. These activities range from newsletters and noticeboards to bi-monthly community meetings and the use of theatre, cinema and radio.

The stakeholder engagement process includes every demographic group in the community. In addition to elders and village chiefs, special consideration is given to engaging with women's groups, young people, and vulnerable people.

Kenmare uses Local Working Groups (LWG) to communicate with the government, and host communities. Six LWGs across the 15 project-affected communities meet bi-monthly and include the District Administrator, government representatives, Kenmare management and other local representatives. The LWGs play a key role in:

- ▶ Monitoring the implementation of the 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.

A natural resource committee in Namalope is the main point of contact for land rehabilitation issues and is a part of all formal community meetings. Water and sanitation issues are managed by separate specific committees.

SPORT SPONSORSHIP



In 2023, KMAD sponsored soccer tournaments for men and women. The local tournament ran from June to December with a total of 26 teams, 12 of which were female teams. The winning male team was "Moscovo de Naholoco" and the winning female team was "Borussia Dortmund", both from Naholoco village. Support for the purchase of soccer, gymnastic and running equipment was provided to the Larde district team that will take part in the schools' games at a provincial level.



A HEALTHY NATURAL ENVIRONMENT

KENMARE TAKES AN ENVIRONMENTALLY RESPONSIBLE APPROACH TO MANAGING THE NATURAL RESOURCES THAT ARE PART OF THE MINING PROCESS.

Kenmare works to minimise its environmental footprint and does not use any chemicals in its mining processes. Protection and restoration of biodiversity is a key priority as about two thirds of the 34,000 ha mining concession lies within the Primeiras and Segundas Environmental Protected area (EPA). This EPA is also home to several species identified as endangered by the International Union for Conservation of Nature (IUCN). Kenmare progressively rehabilitates the post-mined land. While Nampula Province is not in a high water-stress region, care is taken with the use of water in mining operations and to ensure the community has the water it needs to sustain livelihoods.

Achievements

- ▶ 14% year-on-year reduction of Scope 1 related GHG emissions
- ▶ High water re-use rate of 90% maintained
- ▶ Land rehabilitation trials conducted, adding 'slimes' to post-mined land to improve agricultural productivity
- ▶ Mozambican operations certified to the National Occupational Safety Association (NOSA) standard, aligned to ISO 14001

Challenges

- ▶ Limited progress made on scaling up of agro-forestry trials in 2023
- ▶ On-going degradation of Icuria forest and coastal dunes by illegal logging
- ▶ Delays to landfill site repairs

Standards and guidelines

- ▶ Mozambican legislation for environmental management
- ▶ Mozambican Biodiversity Offset Diploma (2022)
- ▶ Global Industry Standard for Tailings Management (GISTM)
- ▶ IFC (2012) Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
- ▶ IFC (2012) Performance Standard 3: Resource Efficiency and Pollution Prevention
- ▶ IFC (2012) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- ▶ National Occupational Safety Association (NOSA) standard
- ▶ Kenmare's Environmental, and Climate and Energy policies

Material topics

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

Stakeholders

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

Sustainable Development Goals



14%

Reduction in
Scope 1 emissions

187 ha

Land rehabilitated,
exceeding target

90%

Water re-use

151,000

Indigenous saplings planted

A HEALTHY NATURAL ENVIRONMENT CONTINUED

General environmental management overview

Kenmare is committed to responsibly managing its impacts on climate change, water, waste, biodiversity, and air and soil quality. It is guided by the Sustainability Strategy (see pages 16 and 17), Group environmental and climate policies and environmental management systems. Regular audits ensure the Company is complying with relevant legislation and that Kenmare operates in an environmentally responsible way.

Kenmare's ambition

The Company's culture reflects its values of Commitment, Accountability, Respect and Excellence and it works to ensure employees, communities, investors and other stakeholders know that taking care of the environment is an essential part of that culture. This includes recognising that, where possible, Kenmare should go beyond regulatory requirements and use those high environmental standards to drive business and stakeholder value.

Kenmare's approach

The Company's objectives, planning and KPIs all consider the precautionary principle, mitigation hierarchy, principles of pollution prevention, and compliance with legal and other voluntary obligations. Detailed processes for identifying environmental risks and mitigating the impacts of Kenmare's activities are set out in the environmental management system (EMS) for the Namalope and Pilivili licences.

Risk identification and management

Kenmare's environmental risk management process focuses on continuously improving the identification and organisational awareness of risk and ensuring control mechanisms are respected and enforced. This forms part of the Company's risk management and internal assurance plan.

Once the impacts have been identified and assessed they are aggregated and integrated into the Group risk register. There are annual updates to the environmental risk assessments which re-evaluate existing risks and identify emerging climate change and other environmental risks. This includes reviewing the effectiveness of mitigating actions, process changes, significant incidents or disasters, or responses to instructions from regulatory bodies or other relevant parties.

The potential key environmental risks, which relate to Kenmare's identification of material issues are:

- ▶ Insufficient supply of low-cost, low-carbon energy for the Company's growing energy needs
- ▶ Incorrect behaviours or not following procedures, such as waste management practices, management of radiation sources, implementation of erosion controls and successful rehabilitation efforts
- ▶ Extreme weather events impacting operations and infrastructure

- ▶ Limited availability and commerciality of low-carbon technologies to displace diesel consumption
- ▶ Insufficient availability of water for operational usage, and real or perceived lack of water stewardship
- ▶ Biodiversity loss, in particular the IUCN Red List species, and compliance with the 2022 Mozambican Biodiversity Diploma
- ▶ Communities not supporting Kenmare's rehabilitation strategy, or perceiving quality of post-mined land to be poor for agriculture
- ▶ Geotechnical risks associated with tailings storage, and GISTM alignment
- ▶ Delaying the return of land to communities and compromising Kenmare's social licence to operate

Environmental engagements

Kenmare engages with its stakeholders on environmental matters, including responding to issues raised by local communities. There is a legal requirement in Mozambique that those applying for an environmental licence hold public consultations and communicate directly with communities and include their views and needs in management programmes.

Kenmare's engagement is focused on direct communication with the communities and their representative leaders. In 2023, the Company engaged the district authorities and communities, on the following topics:

- ▶ ESIA for the development of the Tailings Storage Facility and Nataka orebody
- ▶ Progress of rehabilitation plans
- ▶ Water abstraction from Lake Mavele and the Mualadi river
- ▶ Pilivili exit path
- ▶ Beach landing of WCP-A infrastructure, categorised as a level "B" project by the Ministério da Terra e Ambiente (MTA)

The public consultations for the Nataka ESIA highlighted dust complaints from the villages along the Pilivili haul road. Kenmare has engaged a service provider to provide dust suppression solutions and initiated the purchase of an engineering-based stabilizer (EBS) to be used to suppress the dust.

Environmental audits

In 2023, external independent audits reviewed the Company's compliance with the environmental management plans linked to its environmental licence; compliance with biodiversity and aquatic management plans; and greenhouse gas emissions and energy usage.

The Annual Environmental Compliance Audit was carried out in 2023 by EIA & Services, an Environmental Auditor Consulting Company registered by the Ministry of Land and Environment (MTA). In this audit, almost 60 findings were noted, of which over 20 were conformities, 30 were actions for improvement and seven were non-conformities.

None of the audits found significant non-conformities and all provided insights on key areas for continuous improvement, including the following processes:

- ▶ Sewage water treatment
- ▶ Hydrocarbons management leading to soil contamination
- ▶ Contaminated soils in bioremediation
- ▶ Scrap metal treatment and removal
- ▶ Waste management
- ▶ Landfill operation
- ▶ Dust emissions from the MSP stacks

Climate

Kenmare's climate and energy strategy sets out three key strategic objectives: adaptation, decarbonisation of operations and energy security. Each objective links to specific climate risks and opportunities, and has corresponding controls and mitigation plans to

reduce the impact and likelihood of risks and maximise opportunities for the business. KPIs and metrics track performance of delivery against each strategic objective.

Kenmare's ambition is to become Net Zero (Scope 1 & 2) by 2040 and the Company is targeting a short-term emissions reduction of 12% by 2024, relative to and with the same reporting boundary as its 2021 baseline. In 2023, Kenmare continued to mature the diesel forecasts associated with its operations and improve its understanding of the major medium term decarbonisation options, in preparation for the Climate Transition Plan that will be published in 2024 in alignment with requirements from the Corporate Sustainability Reporting Directive (CSRD).

Climate and energy strategy



A HEALTHY NATURAL ENVIRONMENT CONTINUED

Climate change risks and opportunities

In line with TCFD recommendations, Kenmare assesses the impact of physical and transition risks using different scenarios and timeframes. Kenmare tests the resilience of the business model in the context of a rapid decarbonisation scenario, and the physical risks to mining operations in a “business-as-usual” scenario, leading to more extreme weather. Kenmare considers two time horizons: 2030 and 2050 but the evaluation of risk reflects a timeframe of short (<3 years), medium (3-7 years) and long term (>7 years), which relate to operational and financial planning timeframes.

Kenmare’s climate change-related risk review is summarised below. Cyclones are the most significant physical risk with secondary physical risks from storm surges, flooding and extreme heat. The most significant transition risk is regulatory and investor pressure on Net Zero commitments and a lack of viable solutions to meet those commitments.

The growth of the low-carbon economy provides a number of potential benefits. These include opportunities in the market for titanium products targeted at climate-conscious customers and improving energy efficiency to reduce costs. There is also small but increasing demand for titanium minerals products to use in low carbon technologies. Nascent scientific studies are also exploring the conversion of methane, a potent Greenhouse Gas, into carbon dioxide, which has a much lower global warming potential using the photocatalytic capability of titanium dioxide. This technology is already in use as a film covering high-rise glass buildings, due to its self-cleaning capabilities.

GHG emissions

Kenmare reports its GHG emissions in accordance with the GHG Protocol. Emissions are categorised under Scopes 1, 2 and 3. VerifyCO₂ provided limited assurance on the GHG data in accordance with these standards, and energy related data in accordance with ISO 14064-3:2019.

Kenmare’s direct GHG emissions come from the diesel used in the Mineral Separation Plant, and in Heavy Mobile Equipment, Transshipment Vessels, Light Vehicles and other equipment.

Kenmare’s direct emissions for 2023 were 57,141¹ tCO₂e, a 14% decrease from the prior year (2022: 66,519 tCO₂e) largely reflecting the impact of a full year of Rotary Uninterruptible Power Supply (RUPS) operations. RUPS provides electrical stability to the MSP, avoiding power dips during the rainy season and negates the need to continuously run diesel generators as a backup energy supply. Before RUPS was commissioned, in 2021, the diesel generators had generated 12,000 tonnes of CO₂e over their three months’ running time. RUPS also stops the inefficiencies created during plant shutdowns and startups, by compensating for any power dips all year round.

In addition to RUPS, ongoing efficiencies at the Mineral Separation Plant (MSP) and a 9% reduction in production (and 3.7% reduction in excavated ore) contributed to lower emissions in 2023.

Diesel consumption was 13.5% lower in 2023 at 19.9 million litres (2022: 23 million litres of diesel). Carbon intensity, at 0.052 tCO₂e per tonne of mined product (2022: 0.055 tCO₂e), showed a 5% reduction.

¹ using the same reporting boundary as 2021

Climate change risks and opportunities

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

KEY

High likelihood



Low likelihood

Anticipated onset of risk or opportunity.

Estimated full impact of risk or opportunity



Scope	Category	2021 ¹	2022	2023
Scope 1 (tonnes CO ₂ e)		70,445	66,519	57,141
Scope 2 (tonnes CO ₂ e)	Purchased electricity, Market-based	-	-	-
Scope 2 (tonnes CO ₂ e)	Purchased electricity, Location-based	14,504	16,337	16,571
Scope 3 (tonnes CO ₂ e)	Category 1: Purchased Goods and Services	6,066	9,608	11,554
	Category 2: Capital Goods	-	1,865	655
	Category 3: Fuel- and Energy-related Emissions	-	-	12,511
	Category 4: Upstream Transportation Emissions	35,868	34,041	34,510
	Category 5: Waste Generated in Operations	12	18	33
	Category 6: Business Travel	117	1,008	1,317
	Category 7: Employee Commuting	2,110	2,035	2,278
	Category 9: Downstream Transportation Emissions	79,953	66,644	47,346
Total Scope 3 (tonnes CO ₂ e)		124,126	115,218	110,204
Total Scopes 1, 2 and 3	Scope 2 - Market-based	194,571	181,737	167,345
	Scope 2 - Location-based	209,075	198,074	183,916
Emissions Intensity				
	Revenue (Scope 1 tCO ₂ e per 1,000 USD)	0.1675	0.1335	0.1240
	Production (Scope 1 tCO ₂ e per tonne of ore excavated)	0.00179	0.00166	0.00148
	Production (Scope 1 tCO ₂ e per tonne of finished product)	0.0573	0.0554	0.0524

Kenmare's imported grid electrical power represented zero tCO₂e market-based emissions (2022: 0 tCO₂e) and 16,571 tCO₂e location-based emissions (2022: 16,337 tCO₂e). Kenmare's grid power comes from Electricidade de Moçambique (EdM), Mozambique's national energy company, which sources most of its power from Hidroelectrica de Cahora Bassa's (HCB) hydroelectric dam. EdM confirms annually that the grid electrical power it supplies to Kenmare is 100% hydroelectric.

Kenmare's Wet Concentrator Plants depend on grid electrical power and are not protected by RUPS. WCP B, located in Pilivilil approximately 27 km south of the MSP is particularly susceptible to power dips from the overhead power lines. Therefore, Kenmare may still need to use diesel generators to provide temporary power in the future.

Kenmare's most significant category of indirect or Scope 3 emissions is from the processing of products downstream. The emissions from this category are estimated at 3.8 million tCO₂e. In 2023, Kenmare brought this category of emissions into its boundary scope, in alignment with draft sector guidance from the EU's Corporate Sustainability Reporting Directive and the ICMM guidance on Scope 3 reporting. In 2023, indirect emissions, excluding the processing of products downstream were 110,204 tCO₂e, which compared to 115,218 tCO₂e in 2022, in spite of including an additional category (Cat 3: 12,511 tCO₂e), Scope 3 emissions still decreased. The reduction was largely led by lower downstream transportation emissions from the customer shipment of product to their processing sites. Further information on Kenmare's GHG emissions can be found in the Sustainability Fact Book, available on the website.

Improving communities' climate resilience

Mozambique is ranked fifth in the list of countries most affected by extreme weather over the past two decades¹. Mozambique's vulnerability to climate change is a function of its location and geography: large areas of the country are exposed to tropical cyclones, droughts (every three to four years) and river/coastal storm surge flooding. More than 60 percent of the population lives in low-lying coastal areas, where intense storms from the Indian Ocean and sea level rise put infrastructure, coastal agriculture, key ecosystems and fisheries at risk.

Kenmare helps to build resilience to these impacts by repairing community infrastructure if it is damaged by extreme weather. By meeting government guidelines which require new structures to be resilient to Category 4 cyclones, this work has provided most communities with a safe place where they can take shelter during a cyclone. KMAD's sponsorship of a Conservation Agriculture (CA) programme in which over 600 community farmers participate aims to teach techniques to improve farmers' crop yields and better protect them from drought, flooding and disease.

² 2021 Global Climate Risk Index

A HEALTHY NATURAL ENVIRONMENT CONTINUED

Energy use

Kenmare's investment between 2004 and 2007 in 170km of overhead power cables from Moma to Nampula, enabled the Mine to access hydroelectric power from Cahora Bassa Dam. This made up 93% of Kenmare's overall electrical energy consumption in 2023 (2022: 83%) and 54% of total energy consumption.

Kenmare's operations will require more power over the coming decade. This is due to Wet Concentrator Plant A (WCP A) moving to the Nataka ore zone, which is further away from the MSP and so will lead to more pumping of Heavy Mineral Concentrate (HMC) while the higher slimes content will mean more water is needed in the process. This increase in power requirements will exceed the current line capacity limits and work will be needed to secure supplementary power.

Water stewardship

Water stress at the national scale is low as the total renewable water resources per capita (7,317 m³) exceed the water stress threshold defined by the Falkenmark Water Stress Index and the total volume of freshwater withdrawn by major economic sectors is only 1.75%. However, water is not evenly available throughout Mozambique and many water courses are seasonal, which can contribute to regional water stress, especially in the south and during times of drought².

Using the WRI Aqueduct™ tool, all the water extracted for the Moma Mine is in an area identified as low baseline water stress. Projections to 2040 indicate a similar low water stress.

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

Neither the mining nor processing operations at Moma use toxic chemicals. Therefore, operational water losses through seepage, which return to the underlying aquifers and adjacent surface water systems as baseflow, do not affect the ambient groundwater and surface water quality. Mining water released into surface water systems occurs via "finishing ponds" to settle fine suspended solids prior to the water being released.

Kenmare's operations at Namalope, Namalope West and Nataka fall within the Larde River Catchment which extends 77 km inland from the coastline. Sub-catchments potentially affected by the mining operations cover 178 km² or 14% of the total Larde Catchment.

Energy consumption by source (MWh)	2021	2022	2023
Total diesel consumption (direct)	242,775	231,467	197,797
Petrol	489	374	376
Liquified petroleum gas (LPG)	489	530	413
Total non-renewable energy	243,753	232,372	198,585
EdM (grid) energy	207,719	233,923	237,293
Dublin (grid) energy	17	27	25
Total renewable energy	207,736	233,950	237,318
Total energy	451,489	466,322	435,903
% of renewable energy	46%	50%	54%
INTENSITY MEASURES	2021	2022	2023
Revenue (MWh per 1,000 USD)	1.0736	0.9358	0.9458
Excavation (MWh per tonne of ore excavated)	0.0115	0.0116	0.0113
Production (MWh per tonne of finished product)	0.3675	0.3884	0.3994

WATER STEWARDSHIP STRATEGY

- 1. Watershed management** – to secure water supply for current and future operations while protecting and enhancing other water uses. This is implemented through a site-wide water balance, environmental monitoring and surface water and groundwater modelling to measure the current and projected operational water demand and to characterise the surface water and ground water systems
- 2. Impact mitigation** – to proactively mitigate environmental and social impacts associated with the abstraction, use and discharge of water and to enhance water use opportunities
- 3. Operational performance** – the site-wide water balance is used to manage water as an asset, through improved performance and compliance with all commitments
- 4. External engagement** – to collaborate and engage externally on water policy, management, and challenges in Mozambique to create shared value
- 5. Internal collaboration** – to support coordination across all water management areas of the business.

The Namalope borefield and the man-made Lake Mavele cover 53 km² (4%) of the Larde River Catchment towards the coast where the tidal influence has created a saline wedge within the river course. Mining rehabilitation and subsistence agriculture cover most of the area, except for the Icuria Forest (see Biodiversity Section on page 51).

WCP B is mining the Pilivilil deposit within the Mualadi River Catchment. Baseline surveys have identified wetlands and peat accumulations. Water abstraction is currently authorised from the Mualadi River for mine water makeup within a framework of adaptive management. The risk of flooding and unplanned release of surface water is managed through flood protection berms, river diversions and finishing ponds.

² https://winrock.org/wp-content/uploads/2021/08/Mozambique_Country_Profile-Final.pdf

Water performance

The main source of water for the Mine is the Namalope Borefield and the secondary sources include the Mualadi River, Lake Mavele, the groundwater fed WCP B finishing ponds and the Habelo River.

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

Surface water, made up of rainfall, rivers and ponds represents 32% of the raw water while groundwater represents the remaining 68%. The increase in groundwater makeup from 2022 is attributed to the entrained water which has now been included in the 2023 reporting period. 90% of the total volume of water used (214,420ML) is recycled or reused from the mining pond within the wet plants and dredgers. MSP reject water is also recycled within WCP A and WCP C to maintain mining pond levels.

In 2023, the water efficiency rate was 0.61 m3 water withdrawn per tonne of excavated ore, a 5% reduced efficiency compared to 2022 (0.58 m3 water withdrawn/tonne of ore). This reduced efficiency is attributed to additional slimes management at WCP A and WCP C, an extended pond size at WCP B, offpath slimes deposition, construction of valley berms and increased use of tail stackers. Entrained water has also been included in the water withdrawal volumes during this reporting period. Water abstraction for Kenmare's Namalope and Pilivil operations was in line with the Company's regulatory water withdrawal limits in 2023.

Water discharge occurs primarily as groundwater seepage to the underlying aquifers at a volume of 13,719 ML. The decrease in discharge from 2022 is attributed to the higher slimes percentage at WCP A and the increased water storage across the operations. Evaporation is relatively minor at 1,543 ML.

There are sewage treatment plants across operational areas and discharged water quality is routinely monitored to comply with the treated effluent discharge licence and Operations Environmental Management Plan and to minimise negative impacts. Minor traces of mercury and manganese have been detected in the sewage sanitation plants and ongoing investigations and further testing is being done to establish the sources. Separately, Kenmare, through KMAD, supports access to clean drinking water for host communities, set out on page 39.

Water risk and opportunity management

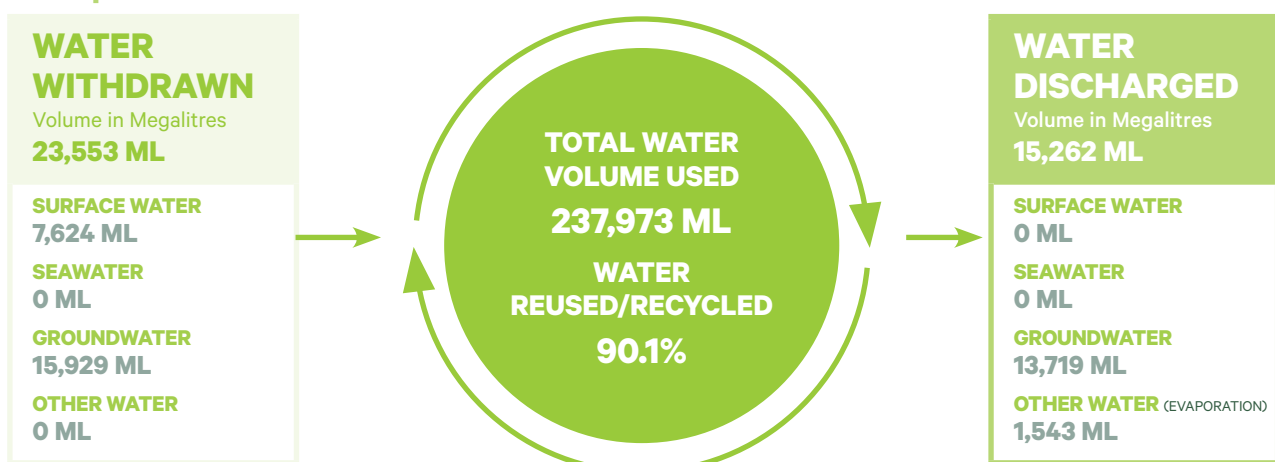
Kenmare has identified the greatest risks for water management as:

- ▶ Flooding as a result of cyclones
- ▶ Water supply shortfall in a drought year (defined as having 760mm mean annual precipitation), which is predicted to occur every five years
- ▶ Additional projected water demand associated with the management of increased slimes within the Namalope and Nataka orebodies and increased production with the upgrades of WCP A and WCP B.

Opportunities include:

- ▶ The use of high-pressure monitor guns on the dredgers to manage the mining face height, allowing the lowering of the mining pond level to minimise seepage losses
- ▶ A decrease in the water demand at WCP C which is now mining within the Namalope flats
- ▶ The recovery of water from future infrastructure such as the planned Tailings Storage Facility
- ▶ Recovery of mining related seepage within the Habelo Valley
- ▶ Cleaning the Namalope raw water dam to maintain the storage capacity
- ▶ Improved recirculation of storm water at the MSP
- ▶ Review of MSP sump 8000 design to improve the stormwater management and water reuse
- ▶ The increased abstraction from the Mualadi River at 20%, following an assessment by wetland specialists which have confirmed sustainable ecological flows will be maintained
- ▶ The implementation of finishing ponds at WCP B to improve water reuse and water self sufficiency
- ▶ The expansion of the Namalope wellfield to increase sustainable abstraction
- ▶ The remediation of Lake Mavele to improve its performance as a water source
- ▶ The relocation of the abstraction point within Lake Mavele to improve sustainable abstraction
- ▶ Optimisation of the respective mine plans to minimise the mining pond and tailings see page losses.

Water performance



A HEALTHY NATURAL ENVIRONMENT CONTINUED

Water management tools

Ongoing data monitoring of rainfall, stream flow measurements, groundwater levels and abstraction volumes are input into a site-wide water balance. The Sustainable Minerals Institute from The University of Queensland has created a GoldSim water balance model that can be used to simulate water demand scenarios and this will be implemented during 2024.

Kenmare uses predictive surface water and groundwater modelling to proactively identify water-related impacts to both support ongoing access to water for operational use and to consider the impact of water use on communities and ecosystems. These are then used to improve future water management and address any predicted impacts. The proposed solutions are then put to community meetings as part of the ESIA process for expansion projects. The results of the community engagement and water management proposals are then submitted to the relevant authorities during the ESIA.

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

Independent verification of the 2023 water use data was undertaken by an external auditor. For more details, visit www.kenmareresources.com/sustainability.

Water management targets

Kenmare looks to minimise the material water withdrawals, and reduce consumption and discharges by optimising mining, processing and water reuse at all stages of the operation. Kenmare's water reuse target of 90% will continue for 2024.

While the Company will continue to look for ways to use water more efficiently in mining operations, reducing raw water consumption or increasing water reuse further in the years to come will be challenging because of the higher slimes environments being mined and the construction of valley crossing berms for WCP A in 2024.

Rehabilitation

Kenmare understands the importance of the land to local communities for subsistence farming and respects the biological diversity of the natural environment. The Company works to minimise impact on this land, to protect biodiversity and rehabilitate disturbed areas effectively and efficiently. The Namalope and Pilivilil mine licences total approximately 5,000 ha, however, Kenmare always aims to minimise disturbed areas and prioritise progressive rehabilitation

Kenmare rehabilitates land using a variety of techniques, including the planting of indigenous and non-indigenous trees, preparing land for agriculture, rehabilitating wetlands and conducting agro-forestry trials. Before land is handed back to communities local authorities

confirm that the soil quality and planting of vegetation is in line with the agreed plan.

Progressive rehabilitation involves agreeing a patchwork of alternative land uses with local authorities and communities. These can include agricultural land, forestry, savannah and woodlands. As this process is an intrinsic part of the mining process, the expenditure is included in cash operating costs.

The Moma Mine has a long life of mineral resources but, as required by law, the Company sets aside funds to cover mine closure costs. Closure considerations are part of ongoing planning, as well as operational and engagement activities. Closure plans and associated costs are reviewed and updated annually.

In 2023, 187 ha of land were rehabilitated, 12 ha above the target of 175 ha. To restore the biodiversity lost through the mining process, close to 151,000 indigenous trees were planted (2022: 72,577). 12.5 ha of agroforestry area was established using improved seeds as well as improved cassava cuttings to drive better food production.

In areas where the spreading of topsoil is more challenging and the gradient makes it undesirable to farm, non-indigenous casuarinas are planted as an intermediary stage in rehabilitating sand dunes. These are a fast-growing, nitrogen-fixing hardwood tree that survive well in sandy soils. Casuarinas create a layer of biomass and stabilise the ground and then indigenous trees can be planted when the trees are mature. Casuarinas also provide a source of wood for fires and construction. In 2023, Kenmare planted 53,000 casuarinas.

Historically, Kenmare has had challenges successfully rehabilitating areas, with communities removing planted trees to make way for machmbas. Better tree survival rates and lower tree removal rates were seen in areas where Kenmare had engaged with the local community, and run awareness campaigns. In these areas, a good environmental synergy between indigenous trees and cassava is being established.

Soil fertility trials

Kenmare continuously seeks ways to improve the soil quality of post-mined land. Previous trials have proven that fine clay sands, known as "slimes", retain moisture, helping crops and trees survive the long dry season.

In 2023, varying volumes of slimes were mixed with topsoil, in a trial near the village of Mulimuni. In this trial, over 20 plots were established with:

- ▶ The application of one, two and three layers of slime per plot, mixed with soil. Slimes were also applied in lines and holes. A control plot was also established.
- ▶ Over 150 indigenous trees and six different food crops were planted, between indigenous tree lines as agroforestry.
- ▶ Soil analysis and interpretation will be done in H1 2024.

Biodiversity

Kenmare's environmental policy sets out the Company's goal to ensure sustainable stewardship of the natural resources within its sphere of influence by preventing, mitigating, restoring, rehabilitating and/or offsetting the negative residual impacts of mining activities, while enhancing positive impacts. In addition, Kenmare aims to align with the goals of the Global Biodiversity Framework and Sustainable Development Goals to halt and reverse nature loss.

Kenmare's concession overlaps with the Primeiras and Segundas Environmental Protected Area, which was established in 2012 and is cited as the largest marine protected area in Africa, extending over 200 km of coastline and comprising of 10,500km² (about 1.5 million hectares) of terrestrial and marine environments (Teixeira, 2015). The IUCN category for this reserve is defined as "A protected area where the interaction of people and nature over time has produced an area of distinct character with significant, ecological, biological, cultural and scenic value: and where safeguarding the integrity of this interaction is vital to protecting and sustaining the area and its associated nature conservation and other values". The reserve is also recognised as a Key Biodiversity Area (KBAs), which are important sites for the global persistence of biodiversity. These sites are either important for several unique species or for just one species that is range restricted and endemic. The definition of the Protected Area allows for mining to occur. All protected areas fall under the responsibility of the National Administration of Conservation Areas (ANAC).

Historical imagery indicates that the concession has been used for shifting agriculture since at least 1985

and likely dating back even further. Typically, areas are cleared through a combination of mechanical means and burning. Crops (mainly cassava interspersed with ground nuts, rice in wetlands) are planted for a few seasons after which the land becomes infertile and are thus left fallow to regenerate. Areas that are left fallow within the project site generally return to a secondary woodland for a small period (3-5 years) before they are cleared again for crop cultivation. In addition, secondary woodland is used as a source of fuel wood, raw materials for charcoaling, construction materials and harvesting of wild food and for medicinal purposes.

In Mozambique, the government introduced a Biodiversity Offset Diploma in 2022, which aims to produce measurable conservation results for any development project categorised as A+ or A, which captures Kenmare's mining operations. The Diploma introduces the requirement for projects to demonstrate No Net Loss or 15% Net Gain, depending on whether the project impacts critical habitats, ecosystems or endangered species. Kenmare's project area includes the following Species of Conservation Concern (SCC): *Icuria Dunensis* (Endangered), *Brachystegia oblonga* (Critically Endangered), *Waernecke sessilicarpa* (Critically Endangered) and *Nesogordoniaholtzii* (Near Threatened) which are scattered throughout the project site. Following the mitigation hierarchy, the Diploma requires projects to avoid, minimise, and restore the biodiversity impacted by the project, with offsets being used as a last resort.

In 2023, Kenmare appointed consultants to help develop a Biodiversity Offset Management Plan, due for submission in the first half of 2024 to the Ministry of Land and Environment (MITA).

KENMARE NURSERIES



Kenmare runs two nurseries in Namalope and Pilivilil. These propagate 28 different species of indigenous plants and trees and three species of non-indigenous trees. Kenmare propagates seeds determined by the baseline studies conducted before land clearance takes place, which are verified by the environmental regulator. Propagated endemic and endangered species include *Icuria dunensis*, *Brachystegia oblonga* and *Mimusops obtusifolia*. Kenmare's nurseries are centres of investigation, where trials test the most effective methods of propagating seeds. These include breaking seed dormancy using different methods, without the use of chemicals, such as immersion in boiling water for different periods. Kenmare ran internal training sessions for the nursery and rehabilitation teams to identify invasive species in the concession and how to remove them effectively. Kenmare provides training to the 13 community nurseries on seed collection and propagation and best practices for seedling survival. In addition, Kenmare has started experimenting with organic alternatives to plastic bags which hold seedlings and hopes to find a stable material with which to replace all plastic bags in 2024.

A HEALTHY NATURAL ENVIRONMENT CONTINUED

Biodiversity conservation

In 2023, Kenmare and APAIPS signed a Memorandum of Understanding with the Minister of Land and Environment to cooperate on the establishment of the Icuria Forest as a conservation area. This MoU also authorised the hiring of a Kenmare-funded APAIPS technician to monitor and manage the Icuria forest and to try and prevent further community deforestation, while the process of legally declaring the forest as a sanctuary is ongoing. A second Kenmare-funded APAIPS manager was also hired to help with the initiation of the legal process, and designing a forest recovery plan.

Pilivili wetlands restoration

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

The Pilivili Biodiversity Management Plan (BMP) and Aquatic Ecosystem Management Plan (AEMP) detail measures to minimise impacts to the biodiversity and in particular its wetland and estuary features, with the goal of achieving No Net Loss. Kenmare commissions third party experts to research compile and quantify the extent of any loss of natural habitat due to mining activities in a Biodiversity Terrestrial Monitoring Report. This allows for appropriate biodiversity offsets to be calculated. No alien plant species have been recorded within the affected Pilivili areas. The populations of endangered and critically endangered species within the dune system mentioned above have been destroyed as a result of clearing by local communities. This is an

indirect impact of mining activities, where communities are seeking to generate income by clearing native vegetation and planting cassava.

Unfortunately, APAIPS do not have the funding or resources to prevent communities from destroying this ecologically sensitive area. Kenmare is working with APAIPS, other government bodies, NGOs and local communities to restore biodiversity to this important and sensitive area over the medium-to-long-term.

In 2023, Kenmare hired a Biodiversity Offset Specialist to focus on the restoration of the Pilivili reserve area as it is a biodiverse and sensitive area. Meetings with community nursery leaders were also held to obtain as many viable seeds as possible from this area for propagation. It is expected that by the end of the first quarter of 2024, meetings will be held with the local government and the local community to design a recovery plan for the area aligned with APAIPS.

Tailings storage

Tailings are residues created as part of mining and processing operations. Kenmare’s operations currently contain most of the tailings in the mining void. This generally does not involve the construction of semi-permanent raised containment embankments, except in the case of a valley crossing. These containment areas are known as paddocks and drying cells and store material that does not contain ilmenite, zircon, rutile, or monazite.

Kenmare takes a risk-based approach to the management of paddocks and drying cells. The tailings strategies aim to safely contain the tailings under all circumstances and take into account the topography of the site, rainfall, seismic activity, mineral characteristics,

WORLD ENVIRONMENT DAY



Kenmare celebrated the 2023 United Nations Environment Programme (UNEP) World Environment Day on 5 June by raising awareness of environmental issues and highlighting the importance of conserving natural resources. The theme for the year was “beat plastic pollution”. Kenmare hosted a plastic collection event in the local communities around the mine in Namalope and Pilivili. In addition, awareness campaigns were carried out in the local community markets to educate community members on the importance of reducing use of plastics by using bags made from local organic materials, as well as helping them understand the impact of plastics on the environment.

and proximity to people. This complies with the Mozambican National Regulation for Tailings Dams.

Kenmare uses a multi-layered approach to ensuring the structural integrity of the tailings facilities and safeguarding the surrounding environment.

This includes daily, monthly and six-monthly inspections including inspection of berms and paddock safety, mine face safety and tailings management. These checks are conducted by both internal geotechnical specialists and by internationally reputable geotechnical experts.

Kenmare's tailings storage facilities (TSF) are regulated, permitted, and comply with local laws and licences. Kenmare identifies geotechnical risk as a principal risk, and this is actively managed through site and corporate risk registers. Additional internal risk management protocols include risk-focused surveillance systems and processes, internal geotechnical risk reporting, and tailings and water management meetings.

In 2023, Kenmare continued its work to align its tailings facilities and management process with the Global Industry Standard on Tailings Management (GISTM), which promotes the principles of sustainable and responsible management of tailings storage facilities, across the mining industry. The global standard requires adherence to its 15 principles, encompassing social, design, technical, operational, management and closure parameters. As part of the implementation of GISTM, a gap analysis of current practices was completed by an independent reviewer. A roadmap has been drawn up which sets out the key milestones to be completed by the end of 2024 to achieve GISTM alignment.

In 2023, the Company achieved a significant milestone by defining clear governance roles and responsibilities, including the appointment of an Accountable Executive and Engineer of Record for TSF safety. This transparent structure fosters accountability and facilitates efficient decision-making.

A Definitive Feasibility Study for the development of the Nataka orebody within Kenmare's mining concession was conducted. It included a study to establish a TSF intended for seven to nine years of use. Kenmare is designing this TSF to comply with GISTM principles from the outset. This facility will incorporate raised embankments capable of storing over 30 million tonnes of fine tailings while adhering to stringent safety and environmental standards. Climate modelling data is factored into the design, ensuring the TSF's resilience to future climate changes and minimising potential risks.

Kenmare's disclosure in line with The Church of England Pensions Board Investments group tailings database can be found at www.kenmareresources.com/sustainability.

TSF GEOTECHNICAL RISK MANAGEMENT



Kenmare's internal risk management protocols include surveillance systems and processes, geotechnical risk reporting, and tailings and water management meetings. In addition to the Company's 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 ISO 45001:2018 (Occupational Health and Safety Management System) and ISO 14001:2015 (Environmental Management System). Geotechnical auditing of TSFs is undertaken by internationally reputable geotechnical specialists.

The Company's broader geotechnical risk management includes employing permanent staff with geotechnical engineering skills; undertaking prudent geotechnical design and controls; conducting daily inspections and circulating daily reports; commissioning interlocking external audits from two separate and independent geotechnical consultants; designing and constructing safety/diversion berms between the mining path and nearby community structures/properties/mining infrastructure; and installing and monitoring decanting pipelines between trailing paddocks and ponds.

A HEALTHY NATURAL ENVIRONMENT CONTINUED

Waste

Kenmare is committed to minimising the environmental footprint associated with its waste management.

Kenmare's non-hazardous waste sources include tailings; organic waste from on-site catering, offices, and the accommodation village; as well as recyclable materials including plastic, paper, metal and glass. Effluent is managed by on-site sewerage treatment plants. All non-hazardous waste is either sent to an on-site landfill or packaged for recycling by certified specialist waste management firms.

Kenmare's hazardous waste sources include chemical waste: laboratory and cleaning products in all operational areas; paint tins and brushes; and used hydrocarbons from machinery, plant and vehicles and scrap metal. All hazardous waste is taken from the site by third parties for responsible disposal. The Company continues to focus on minimising waste generation and encouraging waste segregation at its source.

While Kenmare has measured volumes of waste historically, 2023 was the first year that specialist waste management company, 3R properly sorted, measured and managed Kenmare's waste. Therefore historical comparisons are no longer accurate. Kenmare generated just over 300 tonnes of non-recyclable and organic waste during 2023 and 70 tonnes of recyclable waste was generated of which almost 30 tonnes was sent off-site for recycling in Maputo.

In 2023, Kenmare changed the waste bins colour coding in order to align with international standards for waste management and expanded the types of waste recycled by including industrial pipes.

In 2023, an artisanal composting trial was conducted where organic waste was sent to the composting cells to be used in the Kenmare nursery to fertilise seeds. As a result of this trial, the volume of waste sent to landfill was reduced and Kenmare initiated the purchase of two composting machines, which are due for delivery in 2024.

To dispose of all non-recyclable waste, Kenmare operates a landfill. During 2023, works were completed to repair the damage at the landfill and meet the required standards for certification and licensing. Once the repair works were completed, the government authorities inspected the landfill and issued a report indicating operating conditions had been met and the licence was issued in December 2023.

Sewage treatment plants deal with waste from the Mineral Separation Plant, Wet Concentrator Plants (WCPs), and accommodation village. Treated effluent from the WCPs is discharged as part of tailings and is used to provide additional nutrients to reshape sand dunes after mining. Sewage sludge is dried and disposed of in the landfill.



Radiation

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

In 2023, the Company completed the first-year public safety assessment report as part of a plan to provide a 5-year assessment on public safety relating to monazite. The International Atomic Energy Agency (IAEA) requires data regarding all potentially radioactive sources for its databank. The purpose of the public safety assessment is to ensure that mining operations do not expose the surrounding communities to radiation. The results from the first-year assessment clearly show very low levels of radiation exposure in the surrounding communities, which are below the threshold which causes concern from a safety perspective.

Environmental incidents

Environmental incidents significantly reduced in 2023 114 with incidents over the period (2022: 157 incidents). In 2023, there was a 51% decrease of MSP process water overflows compared with 2022. This was due to the use of the RUPS to control power instability supplied to the MSP. In addition, several interventions were completed to improve the efficiency of the "Sump 8000" system, which is used to manage excess process and storm water and recirculation to the Wet Concentrator Plants.

Apart from the incidents of process water overflow, one significant incident was recorded. This related to diesel spillage to the ground causing potential soil contamination at Kenmare power generators as a result of a lack of control on the process of refuelling diesel to the generator. As a way to reduce the impacts to the environment, part of the diesel spill was recovered and contaminated soil was removed to the bioremediation area. Control measures were also put in place in order to avoid reoccurrence.



Air quality management

To check the Mine is meeting ambient air quality standards, a monthly air monitoring programme measures particulate matter (PM) at multiple locations on-site. Air quality monitoring is incorporated into the overall environmental monitoring programme and is reviewed annually by an independent air quality specialist. Kenmare conducts regular monitoring of PMs less than 10 micrometres in diameter (PM10) and less than 2.5 micrometres in diameter (PM2.5).

Independent consultants SafeTech conducted an air monitoring study in September 2023. Ten communities were surveyed for PM10 and PM2.5, Metals, Carbon Monoxide, VOCs, Nitrogen dioxide (NO2), Sulphur dioxide (SO2), Ozone and Formaldehydes. All the measured values of the NO2 and SO2 sampling showed that the IFC targets and guideline levels were met. The ambient organic vapours (VOCs), Formaldehydes and Carbon Monoxide that were measured have extremely low readings.

The Particulate Matter sampling results indicated the concentration levels of PM10 and PM2.5 meet the IFC 24-hour 100 ug/m3 and 50 ug/m3 limit, respectively, however there was one exception for PM2.5 in the village of Cabula in which a concentration level of 54.62 was recorded. This exceedance was caused by high volumes of traffic from trucks transporting mineral from WCP B as well as light vehicles that provide services to the plant. To reduce the level of dust emissions that arise from the road, continuous watering by Articulated Dump Trucks (ADTs) is conducted. Trees are also planted along the roadside to serve as a vegetation curtain and help prevent dust from reaching the villages along the road. The results from the Ozone sampling indicated a minor exceedance to the IFC 8-hour limit. This is an ongoing issue and will be further investigated in future surveys.



TRUSTED BUSINESS

KENMARE'S BOARD OF DIRECTORS IS COMMITTED TO A STRONG SUSTAINABILITY PERFORMANCE ACROSS THE COMPANY'S ACTIVITIES.

Where possible the Company aims to exceed both regulatory obligations and stakeholder expectations. To achieve this ambition, the Board uses its skills, controls and policies to manage the Company's Environmental, Social and Governance (ESG) risks and opportunities.

Achievements

- ▶ Training on Voluntary Principles on Security and Human Rights for 290 public security forces personnel
- ▶ Audit of 100% of on-site suppliers against Kenmare Supplier Code of Conduct
- ▶ 15/25% of achieved goals in ESG Scorecard linked to Executive remuneration

Challenges

- ▶ Smaller suppliers need further support to meet Kenmare's sustainability standards

Standards and guidelines

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

Material topics

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

Stakeholders

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

100%

On-site suppliers audited against supplier code of conduct

\$43.6m

Payments to Mozambique Government (2022: \$29.5m)

\$48m

Total payments to Governments (2022: \$37m)

84%

Compliance by audited suppliers with Code of Conduct

TRUSTED BUSINESS CONTINUED

Board of Directors

The Board of Directors, led by the Chair Andrew Webb, oversees the Company's business strategy and its sustainability strategy. The overall goal of these strategies is to deliver long-term value creation for shareholders and other stakeholders. The key objectives in the Company's approach to sustainability are set out in Kenmare's policies, standards and incentive plans and are integrated across the business. All of Kenmare's policies can be found on the Company's website: www.kenmareresources.com.

Oversight and guidance in key areas is provided through four Board Committees. The Audit & Risk Committee assesses major risks and ensures high standards of ethical business. The Nomination Committee deals with succession planning and talent management and the Remuneration Committee ensures the right incentives are in place to meet the Company's goals.

The Sustainability Committee scrutinises and challenges management on health and safety, environment, community and social affairs, employees, security, human rights and stakeholder relations. In addition it reviews the risks and risk mitigation strategies in these areas. It also oversees and provides advice on the development and review of the Company's climate strategy and management plan. Further details of the Sustainability Committee's responsibilities and matters it reviewed in 2023 are outlined in the Sustainability Committee report in the Annual Report.

The Sustainability Committee is chaired by Dr Elaine Dorward-King. Elaine previously led sustainability and external relations for Newmont Mining Corporation and has extensive experience and skills in sustainability, climate and decarbonisation.

The other members of the Committee are Clever Fonseca and Mette Dobel. Clever has extensive knowledge, and Board-level management experience, of mineral sands mining from a 35-year career in the titanium industry. Mette brings expertise from working as a senior executive at FLSmidth, a provider of mining services.

In 2023 the Committee met four times to consider matters related to promoting a healthy and safe workplace as well as environmentally sound and socially responsible resource development. They also reviewed progress on internal metrics and public ESG targets. The Committee meetings reviewed strategies for managing Kenmare's key safety and sustainability risks and opportunities, including geotechnical, water stewardship, land management, security, local procurement, supplier due diligence, diversity and inclusion, employee engagement, community relations, political affairs, and climate and energy management. In addition to an in-depth session looking at health and safety leadership and performance, safety was discussed at the beginning of every meeting. The Committee also reviewed proposals to update Kenmare's corporate sustainability policies.

Other Board Committees consider relevant sustainability matters including the financial impact of climate-related risks, taxes and royalties, and diversity and inclusion. Each Committee Chair reports their discussions to the full Board. Sustainability and Audit and Risk materials are reviewed by the relevant committees and are available to all Board members.

SUSTAINABILITY GOVERNANCE

Kenmare Board

SUSTAINABILITY COMMITTEE

Provides challenge and direction on all areas of sustainability management. In 2023, the Committee oversaw the updates to internal Climate Transition Plans, including progress towards short- and long-term decarbonisation goals.

AUDIT & RISK COMMITTEE

Provides robust assessment of emerging and principal risks, including climate change.

Ensures the financial impact of scenario analysis is evaluated and transparently reflected in Kenmare's financial disclosures.

NOMINATION COMMITTEE

Ensures the Board has access to the relevant skills and capabilities to assess, address and report on Kenmare's sustainability policies and programmes, and exposure to climate change and the transition to a low carbon economy.

REMUNERATION COMMITTEE

Ensures the Executive and site leadership teams are incentivised to make progress against sustainability KPIs, including decarbonisation and climate risk management goals. The 2023 Executive scorecard gave sustainability KPIs a 25% weighting.

EXECUTIVE COMMITTEE

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

Kenmare management

Kenmare's management has primary responsibility for the leadership and implementation of actions on sustainability. The Managing Director has overall responsibility for Kenmare's sustainability performance. The Chief Operations Officer is responsible for the Company's safety, health, security, social, economic and environmental performance. The Group Technical Director, Terry Fitzpatrick, leads the identification, evaluation, and implementation of decarbonisation technologies. Drawing on her expertise from sustainability roles in the oil and gas and IT sectors, Anna Brog, the Head of Sustainability manages a multi-disciplinary team to identify decarbonisation opportunities and to forecast Kenmare's energy use and carbon emissions.

The whole of the Executive Committee conducts quarterly review of progress against ESG Scorecard KPIs. Day-to-day delivery of site-based safety, health, security and environmental outcomes is the responsibility of the Moma Mine's General Manager. The Country Manager and Deputy Country and Community Relations Manager are responsible for legal compliance, external engagement and social performance. The Heads of Department, specifically the Health and Safety Manager, Environment Manager, Security Manager and Supply Chain Manager, have responsibility for sustainability-related programmes. The decarbonisation manager determines the Company's decarbonisation pathway and the energy efficiency manager's role is to make more efficient use of diesel and grid electrical power.

Performance-based compensation

The Company's performance incentive schemes are used to hold management and senior employees accountable for meeting Kenmare's sustainability targets. 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 2023, safety, health, and sustainability metrics made up 25% of the Company Scorecard with 75% related to production, financial results and project execution. The safety, health and sustainability metrics achieved 15% of the available 25% scoring for KPIs. Areas of good performance included climate, local procurement and supply chain due diligence. Areas for improvement included safety performance.

Further information on Executive Director remuneration is in Kenmare's Annual Report, which is available at www.kenmareresources.com.

Business transparency

Kenmare is committed to upholding the highest possible ethical standards and strives to create a culture that is inclusive, respectful, free from discrimination and harassment, and that values diversity. The Company expects all activities to reflect its core values: Integrity, Commitment, Accountability, Respect and Excellence (ICARE). Kenmare's policies, listed at the beginning of each of the four pillars of the Company's sustainability strategy, set out the minimum requirements for employees and those acting on behalf of the Company to conduct business honestly, ethically and in the best interests of Kenmare.

Strategy and management approach

Kenmare's approach to business ethics and compliance focuses on ensuring the Company's policies and standards are upheld and that legal and regulatory requirements, across several ethics and compliance risk areas, are met. Kenmare achieves this through promoting the Company's values and creating a culture that emphasises personal accountability and responsibility, supports employees with information and tools, underpinned by effective compliance controls.

The Company's business ethics policy sets out its commitments to ethical behaviour. Moma employees are provided with induction or annual refresher training on the requirements of this policy. Employees must confirm that they have read and understood it and that they will comply with the policy.

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

Kenmare's Country Manager is a member of the Multi-Stakeholder Group Co-ordinating Committee. This Committee is chaired by the Minister of Mineral Resources and Energy and meets quarterly. Isabel Chuvambe, Chair of EITI, Mozambique said that: "Kenmare has been on our steering committee in Mozambique for many years and we are delighted with their ongoing contribution."

TRUSTED BUSINESS CONTINUED

Payments to Government

PAYMENTS \$'000	2019	2020	2021	2022	2023
MOZAMBIQUE					
Mining royalty	3,180	3,627	4,200	5,699	5,674
Industrial Free Zone (IFZ) royalty	2,423	2,437	4,663	4,975	4,585
Payroll taxes	8,446	6,921	9,971	11,634	12,299
Corporation taxes	2,310	5,748	6,156	6,106	19,798
Withholding taxes	716	1,124	1,082	690	730
Licences	83	570	388	409	504
TOTAL	17,158	20,427	26,460	29,513	43,590
IRELAND					
Payroll taxes	2,678	2,495	2,628	2,638	2,193
Corporation taxes	7	267	128	4,354	1,102
TOTAL	2,685	2,762	2,756	6,992	3,295
UK					
Payroll taxes	207	302	524	568	894
TOTAL PAYMENT TO GOVERNMENTS	20,050	23,491	29,740	37,073	47,779

Governmental and political engagement

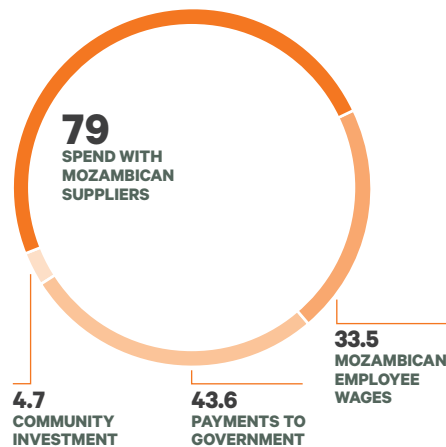
Kenmare maintains positive working relationships with government stakeholders at national, regional, district and local levels. Proactive engagement gives stakeholders opportunities to provide input on Kenmare's present activities and future plans. Kenmare does not make any form of political donation.

SOCIO-ECONOMIC CONTRIBUTION



Kenmare has paid \$244 million in taxes and royalties to the Government of Mozambique since operations began. In 2022, Kenmare was named the most transparent company in Mozambique for a third consecutive year by CIP's Extractive Industry Transparency Index. Kenmare has proudly invested over \$20 million since KMAD's inception in 2004 and \$4.7 million in 2023. Non-discretionary spend associated with Resettlement Action Plans amounted to \$13.4 million in 2023 and when combined with discretionary investment, represents 4% of Kenmare's revenues. Kenmare is the largest employer in the Nampula province.

ECONOMIC VALUE DISTRIBUTED, MOZAMBIQUE (\$M)



* excludes payroll taxes

Anti-bribery and corruption

Kenmare has adopted and applies a Business Ethics policy that is consistent with both Irish and Mozambican laws on anti-bribery and corruption, including the Irish Criminal Justice (Corruption Offences) Act 2018. Kenmare has zero tolerance of bribery and corruption, and the Company is committed to acting professionally, fairly and with integrity in all business dealings and relationships. Kenmare's policies on Business Ethics and Human Rights govern the way the Company operates and convey a clear message to employees, suppliers and external stakeholders about its commitment to ethical standards, anti-corruption, compliance and upholding human rights. In 2023, 58% of Kenmare employees completed annual online training on Kenmare's policies and expectations on Business Ethics, Anti-bribery & Corruption and Human Rights.

Ethics investigations

Employees and contractors are encouraged to speak up if they observe behaviour which they believe does not meet ethical standards.

An independent, external whistleblowing mechanism (Safecall) is available 24/7 in several languages, including Portuguese. Anyone related to Kenmare's business can independently and anonymously report conduct that contravenes the law or any of Kenmare's policies. Investigations into Safecall whistleblowing cases are conducted separately from the management involved in the case. Reports from the Moma Mine are dealt with by Kenmare's internal auditor and General Counsel, and those from the Dublin office by the Company. All reports and outcomes are presented to Kenmare's Audit & Risk Committee.

2023 ETHICS INVESTIGATIONS	TOTAL
New issues captured via third-party whistleblowing mechanism	8
Total number of issues investigated	9
Total substantiated cases	4*

*3 of the cases related to the same issue

In 2023, eight cases were reported via Safecall. One further case came to the Company's attention, so a total of nine cases were investigated. Three Safecall reports related to the same incident. Two cases related to concerns about corrupt activities, and one case was substantiated, resulting in the blocking of the supplier's account. Another allegation found to be substantiated was related to contractor employees not receiving their wages. The seriousness of this issue was discussed with the contractor and Kenmare's expectations on the timely payment of fair wages were reinforced.

Protection of human rights

Kenmare is committed to upholding the human rights of all stakeholders and respecting human rights in its mining operations and supply chain. The nature and context of Kenmare's business based in a remote area in a developing country exposes the organisation and

its supply chain to the potential risk of human rights breaches. These include modern slavery and human trafficking, including underage, forced or bonded labour. More detail is set out in the Company's human rights policy.

Kenmare's policies respect 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. All new employees are provided with a copy of the human rights policy and undergo training on expectations in this area.

Kenmare's employment policy, available on the Company's website, covers diversity and inclusion and freedom of association and explicitly prohibits any kind of discrimination. Breaches of the Company's human rights or employment policy are treated seriously and may result in sanctions against the relevant personnel.

Modern slavery

Kenmare made a commitment, as part of its financing agreements in 2004, to uphold the International Labour Organisation's Conventions on forced labour, child labour, equal remuneration, discrimination, and freedom of association. Kenmare has voluntarily developed and published a Modern Slavery statement and works to continually assess the extent of this risk. It takes steps to ensure that modern slavery has no place in Kenmare's business or supply chain and works in collaboration with the Company's suppliers to eradicate modern slavery. The Company has not been informed of, nor is aware of, any modern slavery or human trafficking issues in the supply chain.



TRUSTED BUSINESS CONTINUED

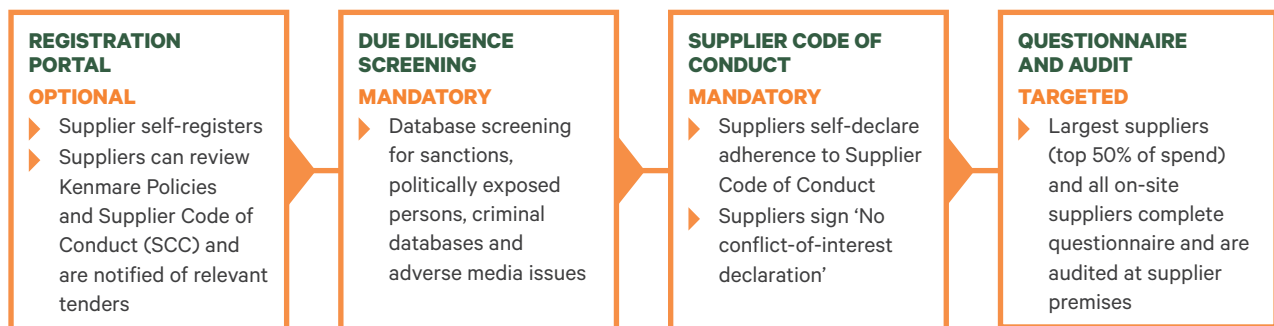
Supply chain

In 2023 the Moma Mine had over 1,000 registered active suppliers, 49% of these are located in Mozambique, including 10% from the province of Nampula in which the Company operates. The remaining 51% are international suppliers. The inherent risk of managing such a large supplier base remains high. Kenmare has a dual objective of increasing the proportion of Mozambican suppliers and ensuring all suppliers comply with its sustainability standards. To support this Kenmare has implemented a strategy and due diligence process for the Moma Mine, outlined in the graphic below.

This aims to:

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

Supplier sustainability due diligence process



Supplier Code of Conduct

Since the implementation of the Supplier Code of Conduct in 2022 Kenmare has been assessing contractor and supplier due diligence levels for compliance with this code. The code is translated into Portuguese and is available via both Kenmare's English and Portuguese websites and is a document that all suppliers must confirm they adhere to.

Kenmare works to ensure contractors uphold the Company's expectations on health and safety.

Any contractors or visitors to the Mine site receive an induction and are required to comply fully with Kenmare's safety and sustainability requirements.

On-site contractors are deemed at higher risk of breaches of policies given their direct exposure to and influence over operations. In 2023, 38 on-site contractors provided goods and services to operations. They were each asked to complete a sustainability questionnaire in the areas covered by the Supplier Code of Conduct.

In addition to on-site contractors, Kenmare identifies high risk suppliers by assessing the nature of the service provided and contract value. Those higher-risk suppliers receive a visit from a Kenmare representative at least once every two years. This is used to test suppliers' capability and compliance with the Company's policies. The process includes checking policies and



procedures and standardised certifications, reviewing management systems and details of any adverse events or legal transgressions. This is underpinned by a physical inspection of the premises and plant.

The 2023 supplier sustainability audit showed an overall alignment score of 85%, compared to the 79% achieved in 2022, suggesting a positive impact from the ongoing capacity building programmes. The 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: not adopting specific policies, such as diversity and inclusion and not having sufficient anti-bribery controls in place. In some cases, the requirement for expansion of environmental programmes has not been met.

As the importance of and focus on sustainability increases globally, Kenmare recognises the need to grow and mature the due diligence process. It will move from checking policies to concentrate more on suppliers' actions and the impact on their performance as outlined in the graphic on the previous page. This approach will be implemented from early 2024.

Kenmare's Moma supplier pre-registration portal continued to be used to target local suppliers interested in working with Kenmare. Suppliers can use the portal to register online and read and confirm they support and will comply with Kenmare's policies. A third-party screening tool checks successful suppliers for sanctions, politically exposed persons, criminal records and adverse media. There are also checks to ensure the supplier's business is financially viable and has strong business ethics. Supplier accounts with no activity for 18 months or more are put on hold to ensure the due diligence process is performed again before these suppliers can be re-activated.

Compliance and audit

Kenmare faces significant risks if an alleged or actual ethical, compliance or legal violation occurs. This could potentially impact the Company's ability to operate or result in fines and/or penalties and reputational harm. To mitigate these risks Kenmare has a range of checks and balances in place:

- ▶ Kenmare's internal audit function, which reports to the Board's Audit & Risk Committee, reviews and assures its systems and controls to ensure these are reliable and secure, the Company's operations are run in accordance with its own policies, legal and regulatory requirements, and significant risks are effectively managed.
- ▶ Annual third-party audits of Kenmare's safety, health and environmental management systems are conducted by the National Occupational Safety Association.
- ▶ Specialist third-party consultants review Kenmare's reporting of environmental, social, health and safety matters and report to the providers of the Group's external debt.
- ▶ In 2023, Kenmare's greenhouse gas emissions data was independently assured by a third party for a third consecutive year.

To ensure environmental and social commitments have been met, the Government of Mozambique requires annual independent environmental audits of the operation and conducts separate audits of completed Resettlement Action Plans (RAP). During 2023, Kenmare submitted regular Pilivili and Namalope RAP monitoring reports to the Government of Mozambique. Kenmare did not receive any fines or sanctions during the reporting period relating to environmental, social or health and safety matters.





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