

RESPONSIBLY MEETING
GLOBAL DEMAND FOR
**QUALITY-
OF-LIFE
MINERALS**

SUSTAINABILITY REPORT 2020



ABOUT THIS REPORT

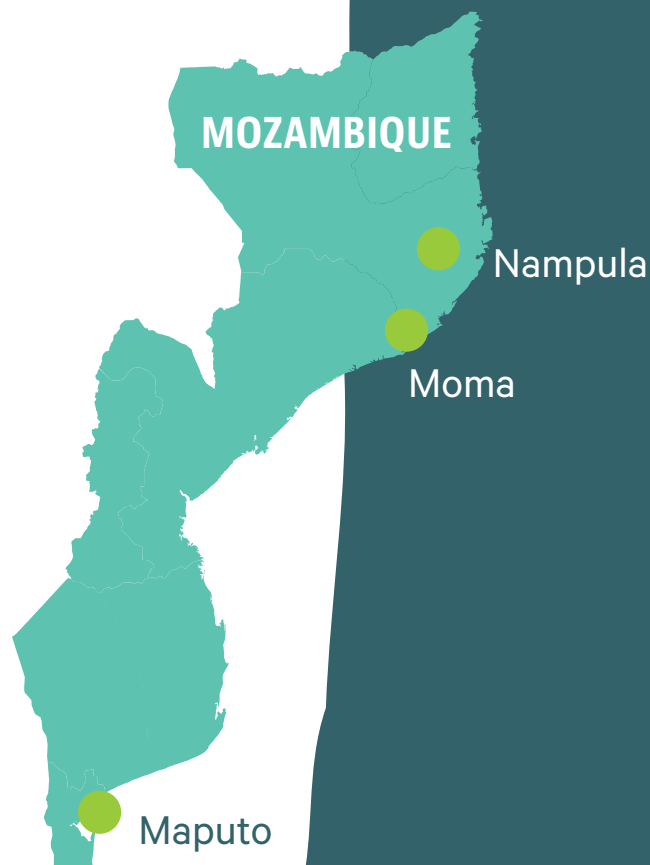
This inaugural sustainability report describes the strategy, policies, and management approach of Kenmare's long-standing and ongoing commitment to sustainability. These efforts are underpinned by our values and our company purpose; to responsibly meet global demand for quality-of-life minerals.

Kenmare Resources plc is an established mining company, which operates the Moma Titanium Minerals Mine, located on the north-east coast of Mozambique, listed on the London Stock Exchange and the Euronext Dublin. 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.

The report has been prepared in alignment with the Global Reporting Initiative – Core option, including the Mining and Metals Sector Supplement. For each material topic, Kenmare has reported against at least one indicator.

For more information, please read our Annual Report, KMAD Report and Payments to Governments Report on our website:

WWW.KENMARERESOURCES.COM



Governance

The Sustainability Committee has taken steps to strengthen our governance process by approving a number of key policies covering, Diversity and Inclusion, Human Rights, Whistleblowing, Employment and Anti-bribery.

Read more about [our Governance process](#) on pages 24 to 29 and see [page 25](#) for a complete listing of all policies.

People

Kenmare conducted its first employment engagement survey in 2020 aimed at gaining a better understanding of the overall level of employee engagement and wellbeing. 97% of employees indicated high levels of overall engagement.

Read more about [the engagement survey in the People section](#) on page 38

Communities

This year saw the move of WCP B from Namalope to the new mining area Pilivili. Our sincere thanks to all communities who assisted in making this move possible and we look forward to continuing our positive relationships with our new host communities in Pilivili.

Read more about [Pilivili in the Communities section](#) on page 48

Environment

90% of our electricity is from a renewable source. Kenmare continues to investigate options to increase our use of this renewable energy and reducing our diesel usage. A significant investment in emissions reduction was approved this year and we will see the benefit in 2022.

Read more about [this investment](#) on pages 59

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For more information visit:

WWW.KENMARERESOURCES.COM

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We commend the Kenmare team for their continued focus on safety and their efforts to demonstrate responsible mining through strong environmental and social performance."

A LETTER FROM ELAINE DORWARD-KING

The role of the Sustainability Committee is to support the Board of Directors in its oversight of management's efforts in the areas of health, safety, security, community relations, community development and environmental responsibility.

During 2020, the Sustainability Committee met on seven occasions. At each meeting the Committee was provided updates on health and safety performance, community relations and community development. The COVID-19 pandemic required the team to respond effectively and quickly and be innovative to minimise exposure of the workforce. The Committee was regularly appraised of the work plans and outcomes.

We are pleased at the significant improvement in gender diversity during 2020, from 8% to 10.64%. We look forward to seeing further improvement in female participation in the workforce and in leadership positions.

During the year, the Committee endorsed Kenmare's strategies for Land Management, Water Stewardship, Energy and Climate Change and External Relations. These strategies brought together the work of many years and provides future direction to further improve on the ground performance and ensure long-term risks are managed. Of particular note in these strategies is Kenmare's commitment to develop

long term greenhouse gas reduction targets and to build stronger biodiversity aspects into our land management programmes.

Kenmare's commitment to further disclosure and transparency is reflected in this standalone sustainability report which aligns with the Global Reporting Initiative (GRI), first year of carbon disclosure to CDP (formerly Carbon Disclosure Project) and the development of a broad series of Environment, Social and Governance (ESG) public targets.

In 2021, we look forward to updates on safety performance and efforts to further reduce injury rates, reporting against the recommendations of the Taskforce for Climate related Financial Disclosures and the development of outcome based objectives and targets.

The environmental, social and governance challenges facing the mining industry continue to evolve along with increasingly targeted demands from its stakeholders for meaningful response and engagement. We look forward to continuing the conversation with management

on strategies to anticipate, manage and adapt to those challenges and demands.

I would like to thank the Committee members for their commitment and input to the work of the Committee during 2020. I would also like to take this opportunity to extend a personal thanks to Elizabeth Headon, the inaugural Chair of the Sustainability Committee, whose vision led to the development of the Committee.

It gives me great pleasure to commend Kenmare's inaugural sustainability report to you. The report builds on many years of on the ground performance and ever improving transparent disclosure by the company.

Elaine Dorward-King
Chair of the Sustainability Committee





Sustainability has always been central to the way we do business at Kenmare. However, we have been evolving how we demonstrate responsible mining to our stakeholders and have formalised and better structured our sustainability process. We believe that strong environmental, social and governance (ESG) management is a fundamental responsibility of business."

A LETTER FROM MICHAEL CARVILL

The global pandemic meant that 2020 was a year of challenge for every business, community, and household. Kenmare's long-held principles on Sustainability together with our committed teams helped us take on these challenges and we continued to make good progress on our Sustainability programmes.

It gives me great pleasure to present our inaugural sustainability report. Building on previous years sustainability disclosures in our Annual Reports this standalone report has been a natural progression for Kenmare. It anticipates and responds to the increasing focus stakeholders place on how business integrates sustainability into day-to-day operations. Capturing the work of the Kenmare team in this report represents an important milestone in Kenmare's Sustainability journey.

COVID-19

In 2020, the COVID-19 pandemic placed unprecedented burdens on our operations and employees, requiring us to rethink and adjust all aspects of our business. I want to thank the Kenmare team for their continuing efforts to improve our health and safety performance, particularly in light of this more challenging context. Stringent risk mitigation measures have been in place across our operation and offices since March 2020. At the Moma Mine, we introduced heightened health protocols, social distancing procedures and COVID-19 testing in a purpose-built laboratory, allowing us to continue operating safely.

Kenmare also supported the mine's host communities in the fight against the pandemic, donating reusable masks, medical gloves and aprons, digital thermometers and sanitation kits to local villages. Eight ventilators and 50 non-invasive ventilation machines were also donated to the health authorities in Nampula, the city nearest to the Moma Mine. In addition, we worked with local community leaders to increase the frequency of local radio messages on COVID-19 prevention measures.

Our People

Providing a safe and healthy working environment for everyone who works at Kenmare and ensuring our people return home from work safely remains Kenmare's most important objective. Our efforts to achieve this resulted in our lowest ever All Injury Frequency Rate of 1.61 and an improved Lost Time Injury Frequency Rate of 0.25. Despite these improved results, we experienced a higher number of Lost Time Injuries in the first half of the year. As a result, the team refocused efforts on risk assessments and safety leadership in the field, leading to an improvement in performance in the second half of the year. Although our operations suffered

no work-related fatalities, sadly, a non-work-related incident at the Moma Mine resulted in the unfortunate death of one of our employees. Kenmare undertook a comprehensive investigation of this incident and learnings were shared throughout the workforce.

We recognise that our employees are the foundation of our business and enhancing their skills and capability and developing a strong and engaged team is critical to our future success. Kenmare conducted its first employee engagement survey during 2020 aimed at gaining a better understanding of the overall level of employee commitment and wellbeing and to identify areas to improve overall engagement levels. Significantly, the results show that 97% of employees have high levels of overall engagement. More than 93% of employees indicated they would recommend Kenmare as a great company to work for and over 95% responded that their job allows them to take accountability and ownership for their results. We see this as an endorsement of the collaborative approach to working together taken by management, unions, and employees. This high level of engagement is reflected in our low turnover rate of 1.48%. The

engagement survey also helpfully showed us areas where we can improve, and plans have been developed to address these areas.

Governance

In October 2019, Kenmare established a Board level Sustainability Committee as part of our commitment to strong governance and continuous improvement. The Committee provided guidance to the management team and oversaw the development of key strategies for Water Stewardship, Land Management and Energy and Climate Change.

Over the course of the year, we performed well against our ESG targets, increasing gender diversity from 8% in 2019 to 10.64%, exceeded our mine land rehabilitation target for 2020, and started a journey of strengthening our supply chain governance.

In October 2020, Kenmare was named the "Most Transparent Company in Mozambique" by the Centre for Public Integrity's Extractive Industry Transparency Index (EITI) in recognition of our commitment to transparency. The company was also awarded the Best Sustainability Reporting for Small and Medium Quoted Companies at the Irish Published Accounts Award, 2020. To further improve our transparency and disclosure in 2020 Kenmare submitted our first carbon disclosure report to CDP.

Communities

A key sustainability outcome is the positive social and economic uplift that resource companies can bring to host communities. Since 2004 Kenmare has supported KMAD a not-for-profit development organisation. KMAD's aim is to be a catalyst for positive social and economic change in the mines host communities. Over the past 16 years, some of the positive outcomes have included; funding for >45 new local businesses, 36 boreholes drilled to provide water for local communities, provision of a new health clinic, an agriculture project that can demonstrate 50% improvement in crop yields, 56 new classrooms and sponsorship of >145 scholarships. Our strategic sourcing programme ensured we sourced 51% of our supplies and services in Mozambique with an economic value of US\$145.8m.

Environment

Kenmare sources 90% of our electricity needs from a renewable hydroelectric energy source. However, during the wet season interruptions to the power supply require our diesel generators to be the primary source of power for the Mineral Separation Plant for

four months. After an extensive feasibility study in January 2021 the Board approved the installation of a rotating uninterruptible power supply (RUPS). This equipment will eliminate the wet season reliance on diesel generators and allows renewable grid power to be used which will result in a 15% reduction of diesel consumption and associated CO₂ emissions and consequent reduction in operating costs. The RUPS will be constructed during 2021.

2020 saw the successful relocation of WCP B to our new mining area of Pilivilil. This successful move was achieved through the continued support of our host communities, the Government of Mozambique and the successful execution of the environmental, social and health impact assessment and the completion of the resettlement action plan. We are delighted to be cooperating with new local communities in the area around Pilivilil and have already commenced building a local school and creating a new bridge in the town.

Outlook

Sustainability and a responsible approach to our host communities and the environment has been at the centre of what we do, and I am delighted that our stakeholders are increasing their focus on this area, empowering us to continue with and improve on our programmes. We continue to evolve and improve our approach, with more structured policies, processes and reporting to demonstrate how Kenmare is fulfilling its purpose to 'responsibly meet global demand for quality-of-life minerals'. Through this work, we believe that we can provide long-term sustainable benefits to all our stakeholders and continue to make a real difference to lives of our Mozambican host communities.

On behalf of the Kenmare team, I thank you for taking the time to read our inaugural Sustainability Report and welcome your feedback.

Michael Carvill,
Managing Director

Johan Jacobs

Environmental, Health & Safety and Security Manager

It was with great sadness that we lost our friend and colleague Johan Jacobs on 27 April 2021. JJ was Manager of Kenmare's Health, Safety, Environment and Security Departments at the Moma Mine from 2015 and was instrumental in the improving standards and performance in these areas over that time.



Johan touched the lives of all he met, he was an inspiration to his colleagues. In the workplace he believed in the power of people development and was a strong mentor to his team. JJ was a man of great integrity and his leadership reflected fairness, respect, honesty and continuous improvement.

Overall, JJ believed strongly that work and life were to be enjoyed and so there was always time for a social occasion. JJ saw his role at the Moma Mine as bringing people together, building relationships and friendships through work and play and that will be his legacy - making Moma a great place to be.

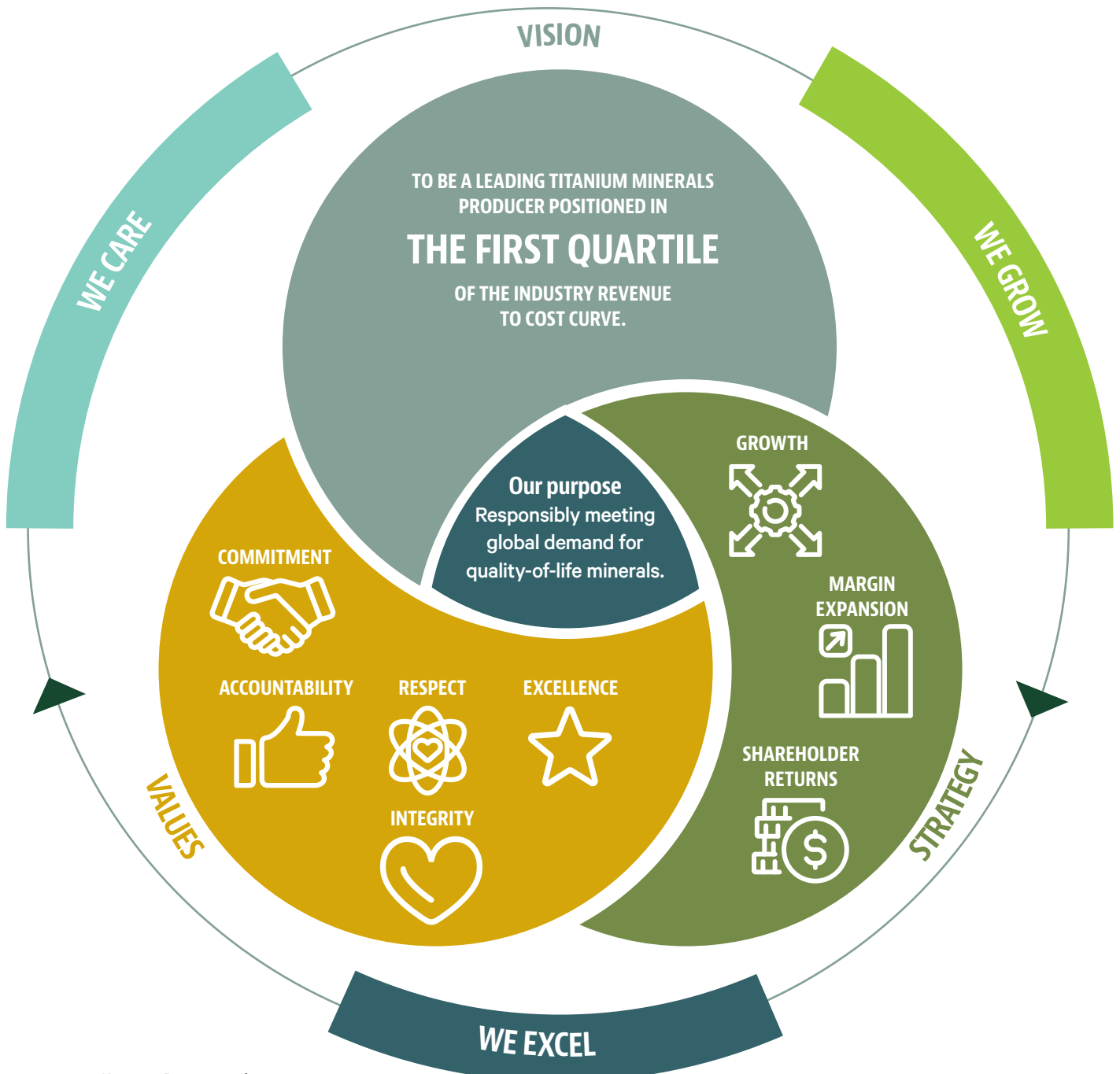
This, our inaugural Sustainability Report is dedicated to JJ. We will miss him greatly and we thank him for all he did for us.



OUR BUSINESS



We believe our purpose to “Responsibly meet global demand for quality-of-life minerals” is best served through the alignment of our culture, values, and strategy.





Kenmare Moma Development Association (KMAD)

KMAD is a not-for-profit development organisation, which was established by Kenmare in 2004 to implement development programmes in the host communities surrounding the mine. In 2020 US\$2.0m has been invested in community programmes in three key areas, Livelihoods and economic development; Healthcare development and Education development.

Read more about [KMAD's projects](#) on pages 45 to 51

KMAD also produces a stand alone report which can be found on our web site.

OUR PRINCIPLES

At Kenmare, our actions are informed by our guiding principles:
We Care, We Grow, We Excel.



OUR OPERATING MODEL

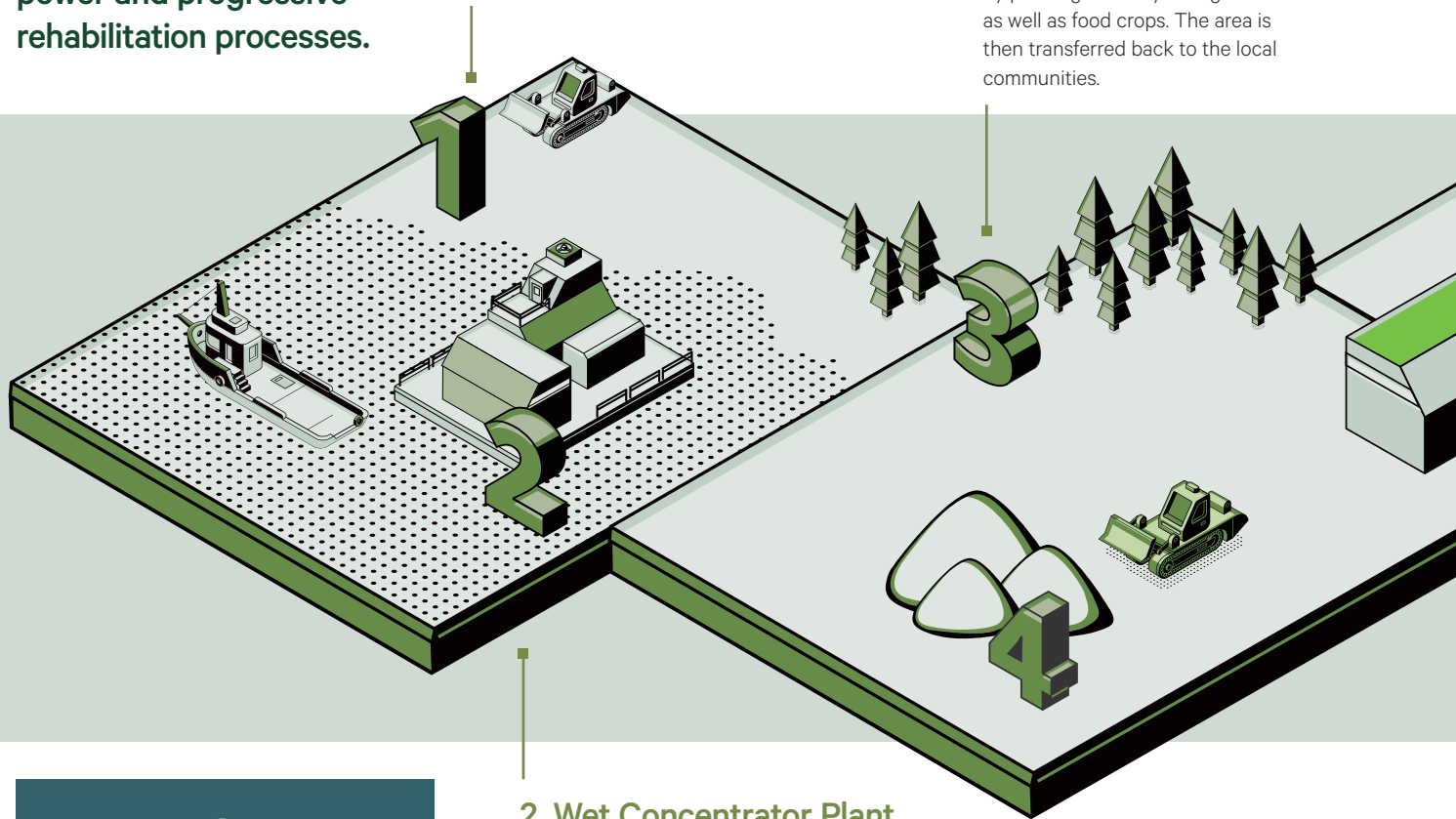
Kenmare's operational process is well established and environmentally sound. The Moma Mine is a low-cost, bulk mining operation that predominantly utilises hydro-generated power and progressive rehabilitation processes.

1. Mining

Dredging takes place in three artificial ponds, where four dredges feed three Wet Concentrator Plants (A, B and C). The dredges cut into the ore at the pond's base, causing the mineralised sand to slump into the pond where it is pumped to a WCP. Kenmare also has two dry mining operations to supplement ore feed to WCP A and WCP B.

3. Dune rehabilitation

Tailings are deposited into a series of settling ponds, dried and re-contoured, with the previously removed topsoil redeposited. Rehabilitation is completed by planting a variety of vegetation as well as food crops. The area is then transferred back to the local communities.



2. Wet Concentrator Plant

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 HMC from tailings (silica sand and clay).

4. Heavy Mineral Concentrate

HMC is pumped to the Mineral Separation Plant (MSP), where it is stockpiled prior to further processing. HMC consists of valuable heavy minerals (ilmenite, rutile, zircon and monazite), other heavy minerals and a small amount of other minerals (the bulk of which is silica sand).

1,449ha
of mined land
rehabilitated*

246,697
trees planted*

* to date

Mining

5. Wet High Intensity Magnetic Separation

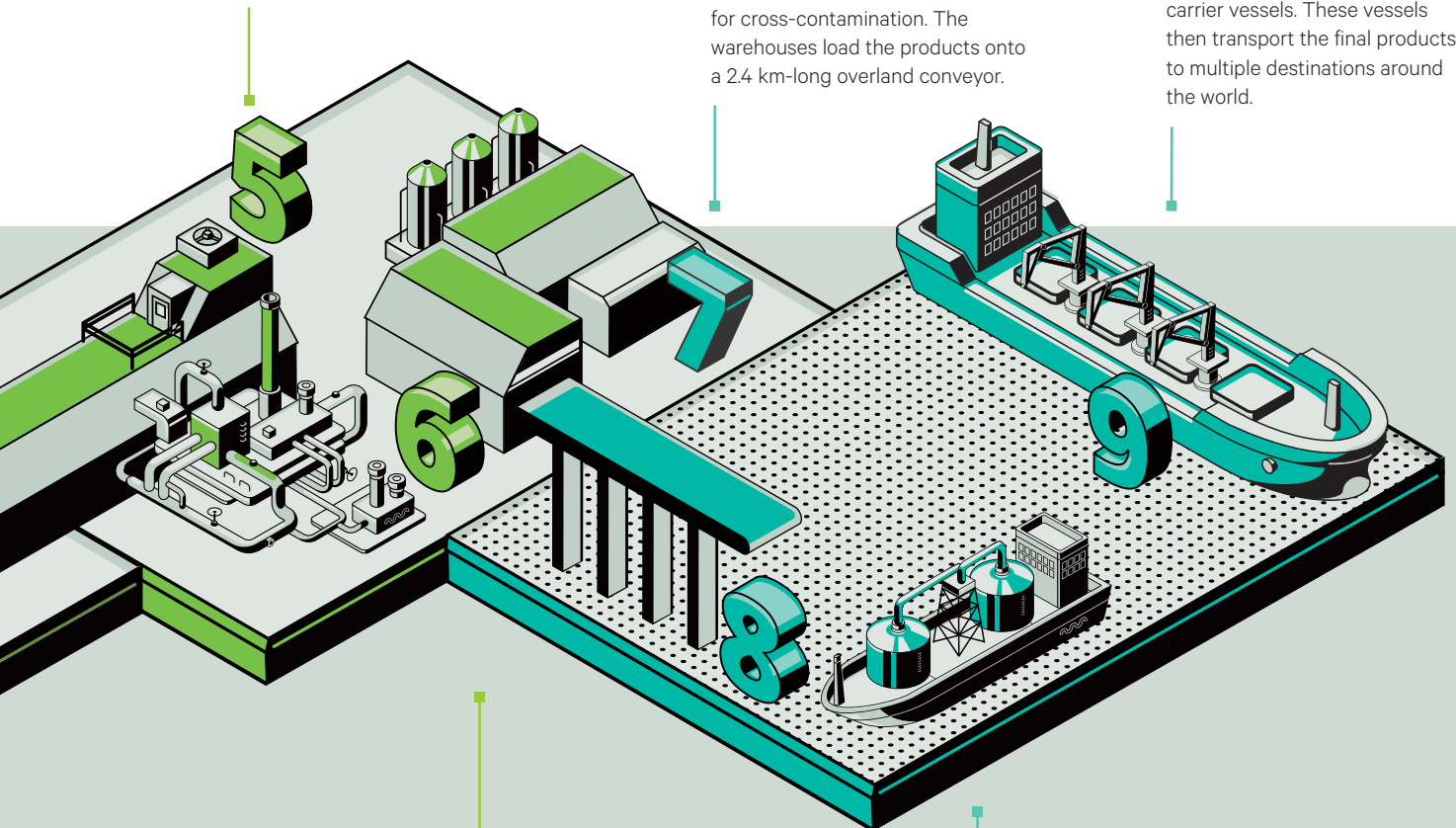
HMC is transferred from stockpiles by front-end loaders and fed to the Wet High Intensity Magnetic Separation (WHIMS) plant to separate magnetic from non-magnetic fractions.

7. Product storage warehouse

Ilmenite and rutile are stored in a 185,000 tonne capacity warehouse, which also contains an enclosed area to store the mineral sands concentrate product (containing monazite). Zircon is stored in a separate 35,000 tonne capacity warehouse to reduce the potential for cross-contamination. The warehouses load the products onto a 2.4 km-long overland conveyor.

9. Ocean-going bulk carrier

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



90%
renewable
electricity

Zero chemicals
added in mineral
processing.

6. Magnetic, gravity and electrostatic separation

The MSP uses magnetic, gravity and electrostatic circuits to separate the valuable minerals of ilmenite, rutile, zircon and monazite into 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. Conveyor and jetty

The conveyor transports product to the end of a 400 metre long jetty, where product is loaded onto transshipment vessels, at a rate of 1,000 tonnes per hour. Kenmare owns and operates two transshipment vessels, the Bronagh J and the Peg.

Processing

Storage and export

INTRODUCTION

Our separate sustainability report

Kenmare is proud to announce the production of its first standalone sustainability report. The 2020 Sustainability Report aims to assist stakeholders to further understand our business by providing transparent demonstration and disclosure of Kenmare's sustainability performance during the reporting period. This report has been developed in alignment with the Global Reporting Initiative (GRI) to disclose on material issues which are relevant to stakeholders. Further details of Kenmare's sustainability work programmes are available at www.kenmareresources.com.

GRI standards

We have produced our Sustainability Report in alignment with GRI Standards. GRI reporting helps to ensure that material information is disclosed in a set, standardised way, so that economic, environmental, and social performance can be easily quantified and compared by our stakeholders.

Scope and boundary of report

The report covers our Moma Titanium Minerals Mine in northern Mozambique, which is the Company's only operating mine. Where material to our sustainability performance and future sustainability initiatives, or to provide context as to how sustainability is considered across all Kenmare activities and decisions, we have reported data on our Maputo, Nampala and Dublin offices.

Data presented covers our performance for the period 1 January to 31 December 2020, which corresponds with Kenmare's financial year. The 2020 Annual Report was published in April 2021 and is available at www.kenmareresources.com. Unless otherwise stated, all currencies are denominated in US Dollars (US\$). All data has been collected by Kenmare employees.

For further information, please refer to the GRI Content Index within the Appendix of this document.

Materiality assessment

Materiality is the principle of defining topics that matter most to our business and stakeholders. Identification and evaluation of these topics helps us to understand how they may affect our ability to create value over time. This ensures that the business strategy takes account of significant governance, social and environmental topics and the management of sustainability issues is embedded in wider business processes that are integral to the delivery of our strategy.


These topics will help develop our sustainability strategy, inform metrics and KPI's to improve future performance and provide the context for our inaugural standalone Sustainability Report.

Aligning to the UN's SDGs

Kenmare acknowledges the importance of supporting the UN's 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs). During 2021, we are planning to identify the most relevant and high priority SDGs for Kenmare to further develop outcome-based objectives and targets in order to make a positive contribution.

KMAD

Kenmare aims to be a catalyst for positive social and economic change in the host communities of our operations in Mozambique. One of the ways we achieve this is by supporting the Kenmare Moma Development Association (KMAD). Established in 2004, KMAD is a not-for-profit organisation that implements development programmes in the areas surrounding the Moma Mine. In 2020, KMAD's expenditure totalled US\$2.0 million. KMAD's initiatives have three key focuses, which are livelihoods and economic development, healthcare development and education development.

 **Read more on page 45 or read the KMAD Annual report: www.kenmareresources.com/sustainability/kmad**

2020 at a glance

0.25 LTIFR
vs 0.27 in 2019

90%
electricity from
renewal sources

180.5ha
mined land rehabilitated

US\$145.8m
spent (51% of total
procurement) with
Mozambique suppliers

97%
of employees are
Mozambican

10.64%
female participation in
workforce, up from 8%
in 2019

OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability

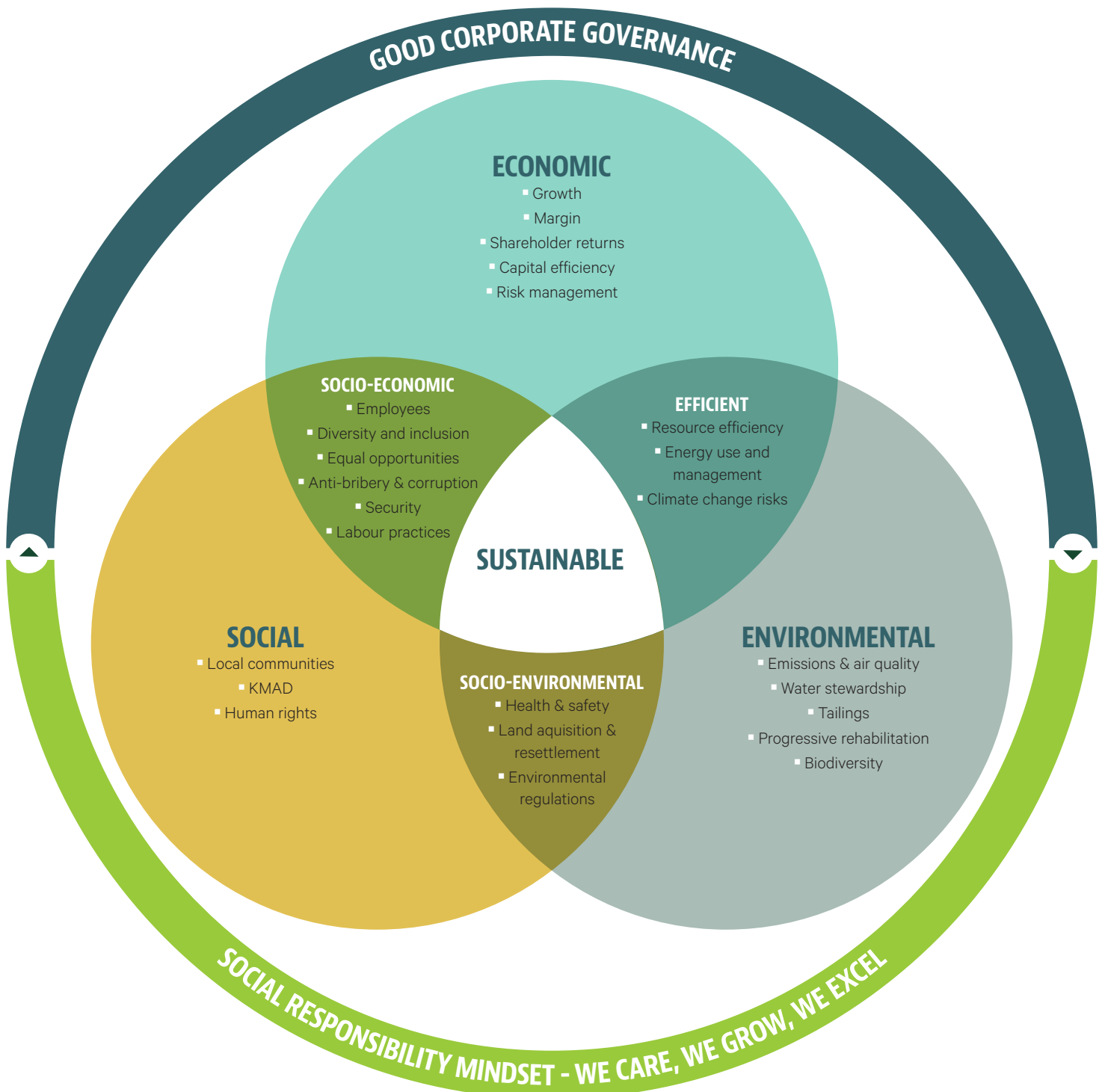
Driven by our purpose of responsibly meeting global demand for quality-of-life minerals, Kenmare remains committed to maintaining a sustainable business. We are focused on conducting all activities in a manner that minimises risks to, and maximises opportunities for, our people and our host communities, guided by responsible environmental stewardship and ethical business practices.

Supporting the safety of our people, and local communities, is always at the heart of what we do as is striving to achieve zero harm in our operations.

Sustainability is a core consideration in all phases of the mine life cycle: exploration, development, construction, operation, and closure.

We are fully committed to meeting international standards of good practice to ensure the health and safety of our employees, being environmentally responsible and supporting the sustainable growth and development of host communities.

We believe that consistent good practice in these areas is an imperative for a successful sustainable long-term business.



OUR INTEGRATED APPROACH

Governance and implementation

Regular monitoring of progress against our ESG targets and strategy, combined with transparent disclosure via a variety of channels.



Online
Sustainability pages and e-copies of relevant ESG reports



Print
Annual report, Payments to Government and Sustainability report.



Social media
Regular sustainability updates via social media channels.

Execution of the strategy requires the development of annual action plans. Heads of Department work with SMEs and functional teams to develop these plans and metrics to measure their implementation.

Executive Committee

Executive Committee approves the required resources to execute the strategy and monitors progress.

KMAD

Works with relevant NGOs and host communities to implement and monitor community prioritised development projects.

Subject matter experts

- Head of Sustainability
- Head of Health, Safety and Security
- Mine General Manager
- Country Manager
- Deputy Head of Country
- KMAD Co-ordinator

Functional teams

- Operations
- Supply chain
- Human Resources
- IT
- Finance and accounting
- Security
- Investor relations and corporate communications



To endorse policies and strategies, provide oversight and constructively challenge the management team in relation to the operational and financial performance of the Group.

The Board

Audit & risk committee

Monitor the appropriateness of the company's risk management process and external grievance process.

Nomination committee

Ensure the relevant skills and expertise exists at Board level to oversee the execution of the sustainability strategy.

Remuneration committee

Approve and monitor progress against annual ESG targets.

Sustainability committee

Oversight of management's efforts in the areas of health, safety, security, community relations, community development and environmental responsibility.

[Read more about our Governance on page 25](#)

Sustainability process

Kenmare sustainability process starts with a deep understanding of what is important to our host communities, our legal compliance requirements, and comprehensive research into what is considered good practice for the minerals industry. All our sustainability work programmes are developed from this basis to deliver responsible performance on the ground and aligned with our guiding principles of We Care, We Excel and We Grow.



The role of the Executive Committee

To develop the sustainability strategy and define the company's sustainability approach.

Subject matter experts

To work with the Executive Committee in developing strategies and defining the relevant content to deliver the required performance.

KMAD

Host community defined development plans are included in the decision making process.

Role of the board

To critique and review the sustainability strategy to ensure it supports the long term success of the company and will create value for our stakeholders.

What matters, sustainability strategy and policies

A set of ESG policies, a sustainability strategy and programmes that are integrated into the business strategy, drive continuous improvement and will deliver on the ground responsible mining performance.

STAKEHOLDER ENGAGEMENT

Meaningful engagement with stakeholders is part of our culture. It is embedded in all that we do as a Company. The differing interests of stakeholders are considered in the business decisions we make across the Company, at all levels, and are reinforced by our Board setting the tone from the top.



Employees and unions

Why it is important to engage

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

Ways we engage / How we monitor our engagements

- Facilitate quarterly union meetings
- Undertake quarterly performance and feedback meetings with employees
- Undertake bi-monthly departmental 'focal points' meetings
- Engage union representatives constructively on collective bargaining issues
- Encourage networking forums such as the Kenmare Women in Mining Forum
- Operate an independent whistleblowing service
- Company newsletters, town halls and pulse surveys

Key Issues / Significant topics raised

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

How do we respond? / examples of actions taken

- Updating H&S policy
- Increased investment in employee development, including a new leadership training programme
- Employee engagement survey
- First Modern Slavery Statement in 2021



Communities

Why it is important to engage

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

Ways we engage / How we monitor our engagements

- Host formal bi-monthly community meetings, in addition to ad hoc meetings, in order to understand and discuss local peoples' concerns
- Support two community radio stations in order to inform the community of Kenmare's and KMAD's activities
- Conduct Environmental, Social and Health Impact Assessments to identify potential positive and negative impacts of the Mine's activities
- Operate grievance mechanisms to address community concerns
- KMAD hosts quarterly meetings and publishes a quarterly newsletter

Key Issues / Significant topics raised

- Respect for local values and traditions
- Community development initiatives, including those to stimulate economic development
- Employment and procurement opportunities
- Land rehabilitation
- Community wellbeing

How do we respond? / examples of actions taken

- All land mined is rehabilitated and returned to community
- KMAD support of local communities surrounding the mine
- Donations of medical equipment to support local communities

US\$20.4m
payments to Mozambican Government, US\$23.5m for Group

USc10
2020 full year dividend

US\$2.0m
community investments

Government and regulators



Why it is important to engage

Kenmare is committed to being a responsible corporate citizen. We are focused on ensuring that our host country shares in the benefits of the Moma Mine and our partnership approach ensures that we keep the Government of Mozambique well-informed of our activities.

Ways we engage / How we monitor our engagements

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

Key Issues / Significant topics raised

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

How do we respond? / examples of actions taken

- Increased production of corporate materials in Portuguese to increase transparency
- Donations of medical equipment to support the regional health service

Shareholders



Why it is important to engage

Our investors are the owners of the business and their continued support is critical to the business. They provide the capital to develop and expand our operations responsibly and sustainably and we need to ensure we continue to deliver a compelling investor proposition.

Ways we engage / How we monitor our engagements

- Investor conferences, webinars and presentations
- Organise one-on-one meetings and roadshows
- Site visits
- Direct dialogue at the Annual General Meeting
- Corporate materials including announcements, company website, Annual Report and social media profiles

Key Issues / Significant topics raised

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

How do we respond? / examples of actions taken

- Increased proposed dividends in 2020 & targets for 2021
- Inaugural Sustainability Report for 2020 Reporting to CDP

Suppliers, contractors and customers



Why it is important to engage

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

Ways we engage / How we monitor our engagements

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

Key Issues / Significant topics raised

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

How do we respond? / examples of actions taken

- Supply chain compliance programme
- Two lenders disbursed funds from their local Mozambican banks



MATERIALITY REVIEW

During 2020 Kenmare completed its first extensive materiality review. A range of external and internal stakeholders were engaged to rate key sustainability issues related to Kenmare’s operation that matter most to them now and into the future. They help define the content of the sustainability report, in alignment with the GRI principles, and informs our sustainability strategy development.

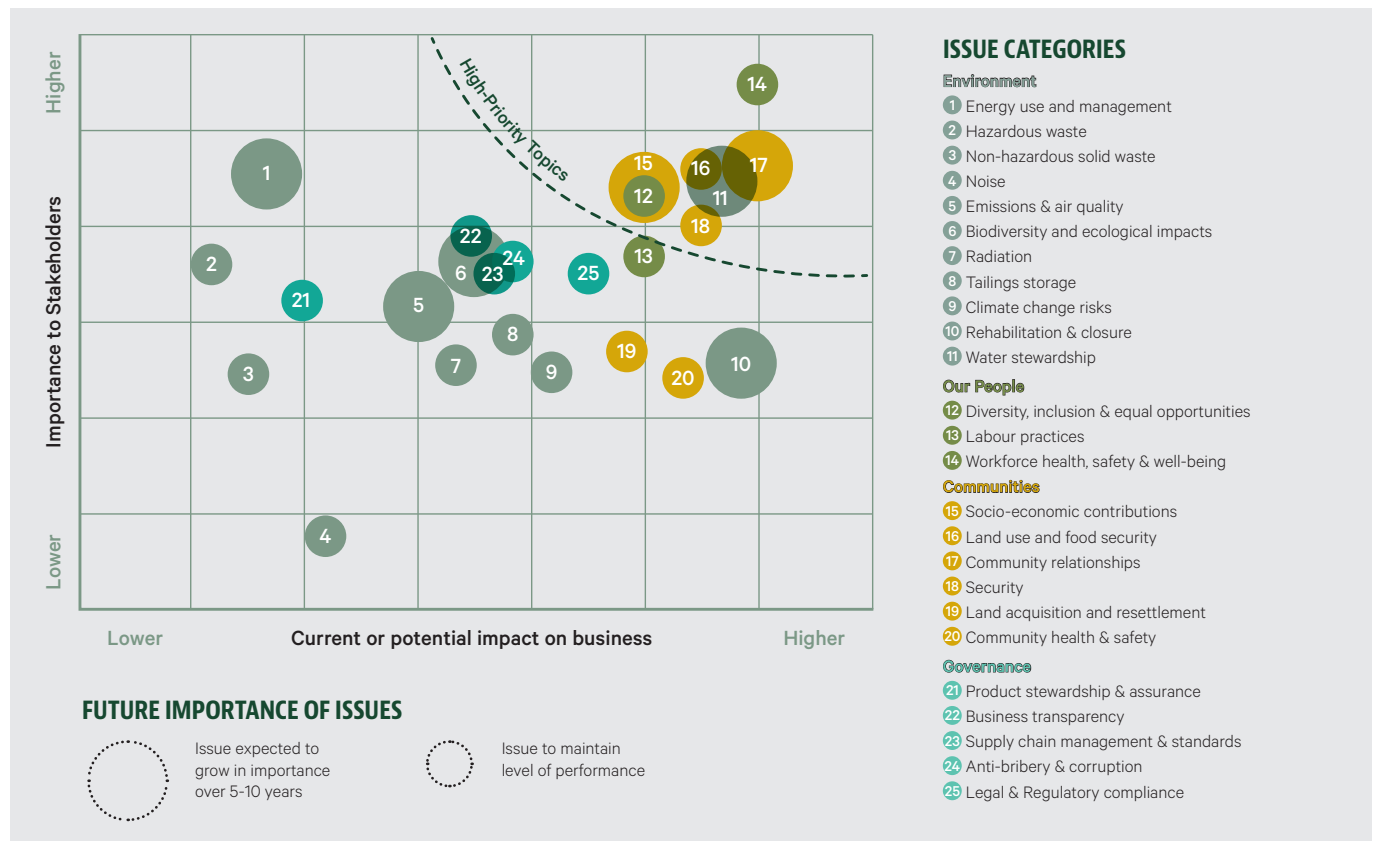
The review included:

- Desk top review of issues and trends relevant to the industry, reports from Non-government organisations (NGOs), academics and peers to help develop a comprehensive list of material topics;
- An online survey was sent to employees, investors, customers, government, media and NGOs to rank the material topics in order of importance and to identify which topics might increase in importance over time;
- In person ranking of issues with host community stakeholders;
- A series of in person interviews with executive management, Chair of the Sustainability Committee and external thought leadership;
- Identified topics were analysed by the Kenmare Management Team.

The materiality matrix in Figure 1 plots the relative importance of all material issues. Our sustainability report discusses our approach and performance for each high priority topic, as per the GRI standards. Our process for determining those matters involves three steps: consultation, analysis and approval. This process was led by a third party, who liaised with external and internal stakeholders, before the findings were validated by the Executive Committee and the Board’s Sustainability Committee.

Key performance metrics are listed in the Performance Data section of the report.

Figure 1: Kenmare materiality assessment 2020



VOLUNTARY ALIGNMENT

Kenmare has chosen to align with a number of voluntary programmes that provide guidance on high standards of governance, social and environmental policy and performance.

This voluntary alignment reflects who we are as a business and through public reporting hold ourselves accountable. These programmes help inform our sustainability strategy as well as gain insight into emerging expectations, issues and risks.

CDP (FORMERLY THE CARBON DISCLOSURE PROJECT)

CDP is a non-profit that works with corporations and shareholders to disclose major corporations' environmental impacts, namely greenhouse gas (GHG) emissions and management of water resources. 2020 marked Kenmare's inaugural completion of CDP's annual Climate Change questionnaire.



EITI (EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE)

Kenmare is actively involved in the efforts of EITI to promote revenue transparency and accountability in the extractive industry and we report on annual tax and royalty payments.



IFC (INTERNATIONAL FINANCE CORPORATION)

The International Finance Corporation is an international financial institution that offers investment, advisory, and asset management services to encourage private sector development in less developed countries. It also published a set of Safety, Environment and Social Performance Standards, 2012, to which Kenmare has aligned its performance.



NOSA (NATIONAL OCCUPATIONAL SAFETY ASSOCIATION)

NOSA is our safety and environmental management system utilised on site. It is a South African based organisation that provides safety training and auditing services. Kenmare has used NOSA auditing services for that last 7 years.



VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

This global initiative, established in 2000, seeks to protect human rights through leading safety and security practices. Signatories include 10 governments – including the UK – and more than 40 industry and NGO participants. Kenmare's Human Rights policy and our security practices are aligned with the Voluntary Principles on Security and Human Rights.



TASKFORCE FOR CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders. Kenmare will implement reporting to the recommendations of the TCFD during 2021 and 2022.



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals or Global Goals are a collection of 17 interlinked goals designed to be a “blueprint to achieve a better and more sustainable future for all”. The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030. They provide an action plan to end poverty, protect the environment and promote prosperity by 2030 and are a call-to-action for governments, businesses, and civil society organizations to address the most pressing problems facing our world today.

Kenmare has used the UN SDGs to inform the development of our sustainability strategy.

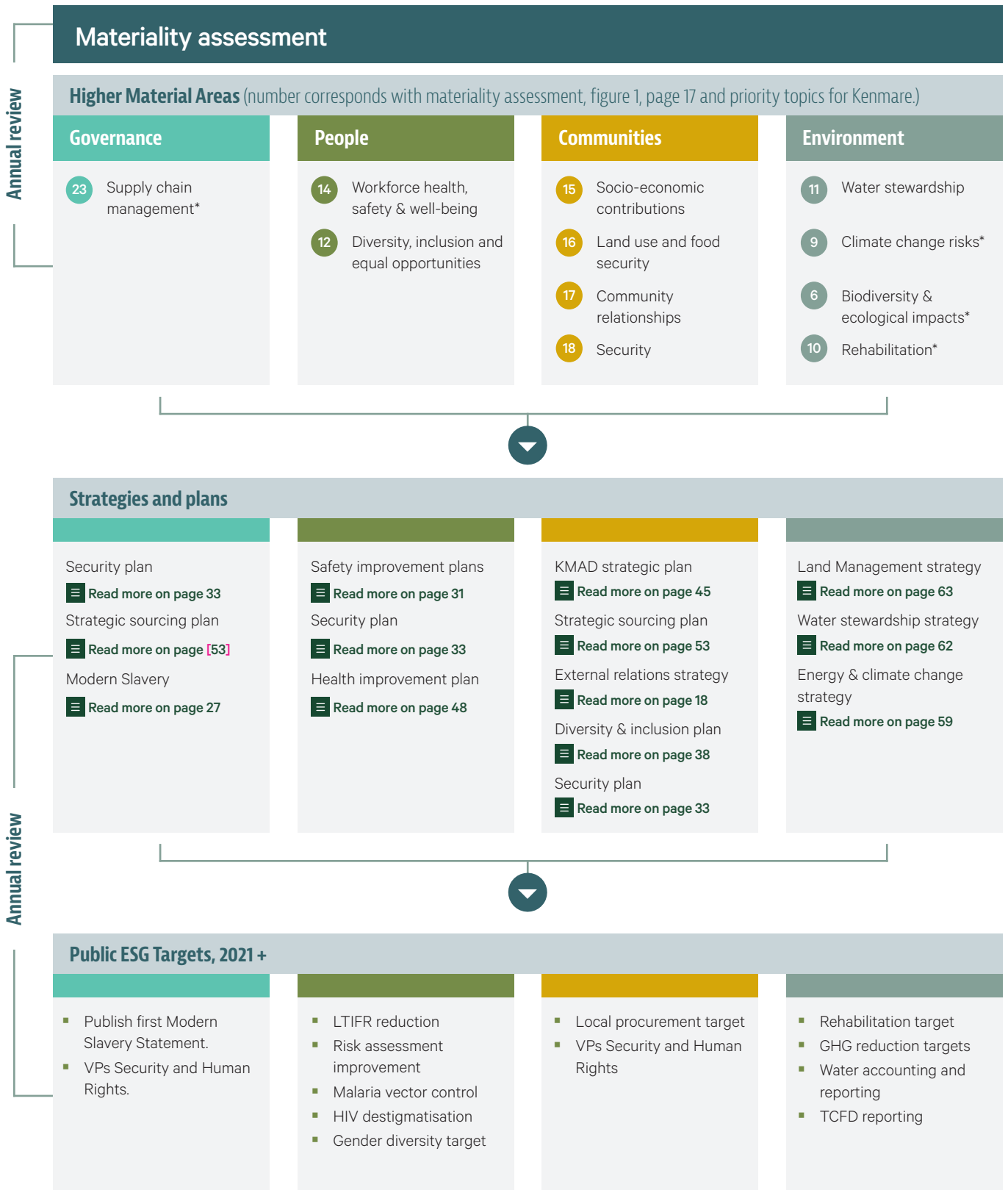
During 2021, we will further refine our prioritisation of the SDGs and work to identify the most appropriate SDG indicators for Kenmare.



**SUSTAINABLE
DEVELOPMENT
GOALS**



DELIVERING WHAT MATTERS



* Although not identified as high priority issues in the materiality assessment, Kenmare has additionally prioritised these areas.



2021 TARGETS



2021 Sustainability targets

2021+ Targets

2021 will focus on the implementation of the recommendations of the Taskforce for Climate related Financial Disclosures, identification of priority UN Sustainable Development Goals (SDGs) to further develop outcome based objectives and targets and further implementation of our Human Rights Policy with Kenmare's supply chain. It will also be a year of consolidation and implementation of the specific strategies that have been developed during 2020. Kenmare will continue to disclose performance against a set of 2021 public targets as set out in Table 1 below.

Table 1: 2021+ Targets

Target	By when
People	
Zero work related fatalities	Annual review
Reduction in Lost Time Injury Frequency Rate (LTIFR) to achieve a target of 0.22	Annual review
Embed new risk assessment processes.	2021
Roll-out of destigmatising HIV programme Conduct a formal external review of our Malaria Vector Control programme	2021
Communities	
No major community incidents as a result of operational activities (Level 5 as defined by Kenmare incident consequence matrix)	Annual review
Meet annual procurement target in Mozambique.	2021
Increase company wide representation of women in the workforce to 11.5%.	2021
Environment	
No major environmental incidents (Level 5 as defined by Kenmare incident consequence matrix)	Annual review
Implement water reporting in alignment with ICMM Water Reporting Guideline.	2021
Define a GHG reduction target.	2021
Implement climate change programme aligned with the Task Force on Climate Related Financial Disclosures (TFCD) recommendations.	2022
Annual rehabilitation target of 200ha.	2021
Governance – Human Rights	
Publication of first Modern Slavery statement.	2021
Security practices are in conformance with the Voluntary Principles on Security and Human Rights.	2021

2020 PERFORMANCE

Performance against 2020 Sustainability Targets

Setting clear targets helps drive improvement within the business and having metrics and targets assists stakeholders to assess our performance. Making our key sustainability targets public ensures the process of improvement is transparent and keeps us accountable.

Table 2: 2020 Sustainability Performance against company targets

Target	2020 Performance	Commentary
People		
Reduction in Lost Time Injury Frequency Rate (LTIFR) to a target of 0.25.	0.25	Achieved target. Reduction from 2019 LTIFR of 0.27
Zero community fatalities as a result of operations.	Zero	Zero community related fatalities.
Environment		
Zero reportable incidents.	Zero reportable incidents	Zero reportable environmental events
Deliver strategic review of rehabilitation.	Delivered	Land rehabilitation and biodiversity strategic approach developed.
Achieve 160ha of rehabilitation.	Achieved	Exceeded rehabilitation target. 180ha rehabilitated.
Communities		
Build supply chain capacity in policy compliance.	Achieved	Supply chain policy compliance programme has commenced. A number of key supplier audits conducted. Work will continue in 2021.
Improve female representation in the workplace to meet a target of 8.50%	Achieved	10.64% achieved.



GOVERNANCE

Kenmare's governance is grounded in transparency, using our values and principles to guide our day to day business activities. We recognise that strong governance is a key element in building and maintaining trust with stakeholders.



Board of Directors

The Directors recognise the critical importance of sustainability and ensure that appropriate corporate governance procedures and resources are in place to implement and monitor the programmes required to achieve ambitious policy targets.

A description of the role of the Board and its supporting committees, Audit and Risk, Nomination, Remuneration and Sustainability is provided on page 26.

The Board approves all Company policies which define our intent and commitments across 11 key areas:

- Business Ethics
- Community Engagement and Investment
- Environmental
- Freedom of Association
- Health and Safety
- Stakeholder Engagement
- Anti-Bribery
- Diversity and Inclusion
- Employment (Labour Rights)
- Human Rights
- Whistleblowing

These policies are supported by a variety of standards and procedures that define the expectations for all Kenmare employees and our business partners.

All Kenmare's policies can be found on our web site, www.kenmareresources.com.

Sustainability Committee

In addition to overseeing the implementation of the Groups sustainability focused policies the Committee also oversees, monitors and reviews Kenmare's practices and governance in safety, health, security, environment, climate change, community relations, community development, and human rights.

Kenmare Management

Kenmare management team is responsible for managing all sustainability aspects.

The Managing Director (MD) has responsibility for Kenmare's safety, health, security, social, economic and environmental performance. The Chief Operating Officer (COO) is responsible for the delivery of the Company's safety, health, security, social, economic and environmental performance. The Head of Sustainability is responsible for the Company's sustainability strategy, creating and ensuring compliance with strategies and standards, and tracking and reporting on our environmental and social performance.

The General Manager (GM) is responsible for the day-to-day delivery of site-based safety, health, security, social, economic and environmental outcomes.

Heads of Department (HOD), specifically the Manager for Health, Safety, Security and Environment (HSSE), Manager Community Relations, Manager Supply Chain and the Country Manager have responsibility for sustainability-related programmes. For example, security, local procurement, government relations, KMAD community development, human rights, water stewardship, climate change and land management.

During 2020 to help facilitate greater awareness and alignment on ESG matters across the business a regular sustainability communications meeting was implemented. This meeting is coordinated by the Head of Sustainability and attended by the MD, Financial Director (FD), COO, GM, Manager HSSE, Manager Community Relations, Country Manager and key HODs.

Audits and internal controls

Our Internal Audit function audits and reviews our business system of internal controls. These audits, which are performed based on a risk-based audit plan, provides assurance that systems are reliable and secure, our operation is run in accordance with standards and legal and regulatory requirements, and significant risks are effectively managed. To ensure objectivity and independence, the function reports directly to the Board's Audit &

Risk Committee with accountability to senior management.

Kenmare has a variety of checks and balances in place to ensure our policies and standards are mitigating risks.

Third-party audits of our safety, health and environmental management systems are conducted annually by the National Occupational Safety Association (NOSA). Internal audits and inspections are conducted on a regular basis.

The Government of Mozambique conducts an annual environmental audit of the operation and conducts an audit of completed Resettlement Action Plans (RAP) to ensure commitments have been implemented.

Performance measurement

All employees are held accountable for health and safety through the company performance incentive programme. For eligible employees our personal performance incentive scheme holds them accountable for health and safety, environmental and social performance.

The Executive Committee members, which comprises the MD, FD, COO, Country Manager, Financial Controller & Company Secretary, Manager Marketing, General Counsel, Manager Corporate Development & Investor Relations and Group General Manager Technical, have personal and business-related targets aligned with the business targets.

During 2020 safety, health, and sustainability metrics represented 15% of the annual incentive programme and the remaining 85% from production, financial, project execution and COVID-19 management.

Further information on Executive Director and Board of Director remuneration is available in our Annual Report, www.kenmareresources.com.

BOARD OF DIRECTORS

Role of the Board

The Board is collectively responsible for the leadership, oversight, control, development and long-term success of the Group. It works with management to set corporate vision and develop strategy, with the aim of creating long term sustainable value for shareholders, while recognising and discharging wider responsibilities to other stakeholders, including employees, customers, suppliers and the communities in which it operates, and to the environment. The Board should constructively challenge and hold to account the management team, in regard to both operational and financial performance of the Group and wider sustainability goals. It is also responsible for ensuring that accurate and understandable information is provided about the Group to shareholders and finance providers and other stakeholders on a timely basis.

The Board's responsibilities include:

- ensuring that appropriate management, development and succession plans are in place;
- reviewing the environmental and health and safety performance of the Group;
- approving the appointment of Directors and their remuneration and severance;
- ensuring that satisfactory dialogue takes place with shareholders;
- understanding the views of the Group's other key stakeholders and keeping engagement mechanisms under review so that they remain effective;
- assessing the basis on which the Group generates and preserves value over the long-term;
- assessing and monitoring culture;
- providing a means for the workforce to raise concerns in confidence and reviewing its operation;
- carrying out a robust assessment of the Group's emerging and principal risks; and
- monitoring the Group's risk management and internal control systems and reviewing their effectiveness.

Matters reserved for the Board

The Board has a formal schedule of matters specifically reserved for its decision, including:

- strategic decisions;
- risk management and internal controls;
- acquisitions and capital expenditure above agreed thresholds;
- approval of interim and final dividends and share purchases;
- changes to the capital structure;
- tax and treasury oversight;
- approval of half-yearly and annual financial statements;
- budgets and matters currently or prospectively affecting the Group and its performance;
- Board and Committee membership; and
- Remuneration policy

SUPPORTED BY

Audit & Risk Committee

Monitors the appropriateness and integrity of the Group's financial reporting, external audit, internal audit and risk management processes.

Nomination Committee

Evaluates the composition of the Board to ensure an effective balance of skills and experience, and considers succession planning for Directors and Senior Executives.

Remuneration Committee

Determines the policy for remuneration of the Chairman, the Executive Directors, the Company Secretary and such other executive management as it is designated to consider.

Sustainability Committee

Oversees the implementation of the Group's sustainability-focused corporate policies.

Sustainability assessments and audits

During 2020, the annual external audit of our occupational health and safety systems was conducted by NOSA. The audit confirmed our 5 Star rating, the top rating, for the fifth consecutive year.

The Mozambique Government's Ministry of Land, Environment and Rural Development (MITADER) conducted its annual audit of the operation to monitor compliance with the site Environmental Management Plan (EMP). The audit found one issue in relation to hydrocarbon bunding, which has been rectified, and identified a number of improvement opportunities which Kenmare will assess. The audit commended Kenmare for their environmental management and continuous improvement mindset.

During 2020 Kenmare submitted regular Piliwili RAP monitoring reports to the Government of Mozambique. They found all aspects of the RAP were in conformance and commended Kenmare for the quality of the resettlement housing.

Kenmare received zero fines or sanctions during the reporting period.

Ethics and compliance

Kenmare's ethics and compliance programme promotes a culture of integrity by emphasising personal accountability and responsibility while supporting employees with information and tools.

Business ethics

Kenmare is committed to upholding responsible ethical standards. All our activities are conducted in accordance with our core values: Integrity, Commitment, Accountability, Respect and Excellence (ICARE).

Our commitment to ethical behaviour is outlined in our Business Ethics Policy. Employees undergoing induction or annual refresher training, must attest, by means of a signature, that they have read and understood the requirements of this Business Ethics Policy and Kenmare's internal code of conduct and that they will comply with them. We also provide this policy to the Moma Mine's third-party service providers (including contractors and suppliers) and ask them to adhere to it.

Anti-bribery

Bribery is strictly prohibited by Kenmare. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate. Kenmare is bound by the laws of Ireland, including the Criminal Justice (Corruption Offences) Act 2018, in respect of its conduct

both at home and abroad. We also comply with any applicable laws relevant to countering bribery and corruption in the jurisdictions in which we operate.

New employees (including management) receive training on our Anti-Bribery Policy in their induction. Employees also receive regular, relevant training on how to comply with this policy. We provide our Anti-Bribery Policy to the Moma Mine's third-party service providers and we ask them to adhere to it.

Whistleblowing

Kenmare has a whistleblowing policy and procedure in place that provides all Kenmare employees and third-party service providers, as well as any member of the public, with the opportunity to independently and anonymously report conduct that is in contravention of the Business Ethics Policy or the Anti-Bribery Policy. This service is provided in Portuguese and in English and, in order to uphold its independence, the service is outsourced. This service is widely publicised within the organisation, to our service providers and in our host communities.

All whistleblowing reports are directed to the service provider's central facility, then sent to Kenmare's Internal Auditor (with a copy to our General Counsel), in the case of the Moma Mine, or Company Secretary, in the case of our Dublin office, who will then consider the appropriate next steps. All reports and outcomes are presented to Kenmare's Audit & Risk Committee.

Political engagement

Kenmare maintains a positive working relationship through regular engagement with government stakeholders at National, regional, district and local level. This work is to ensure government stakeholders are aware of and can provide input to our present and future activities.

Kenmare does not make any form of political donation.

Human Rights

Kenmare is fully committed to upholding the human rights of its stakeholders, as set out in our Human Rights Policy. We support the International Bill of Human Rights, including the UN Declaration of Human Rights; the International Labour Organisation's Fundamental Conventions and Declaration on Fundamental Principles and Rights at Work; and Part I, Chapter IV (Human Rights) of the OECD Guidelines for Multinational Enterprises. Kenmare recognises the important responsibility that companies have in respecting and upholding human rights in their sphere of influence. Our human

rights commitment includes the prohibition of modern slavery in all its forms. This means we have zero tolerance for child labour, forced labour or discrimination.

We do not consider there to be a risk of slavery or human trafficking with regards to our operations, due to our rigorous recruitment and pre-employment vetting process. Human rights issues are also covered by internal operational policies and procedures, with the Group's Employment Policy, and Diversity & Inclusion Policy expressly forbidding any kind of discrimination. Kenmare will consider appropriate mechanisms for mitigation and remediation in instances in which it determines that its employees or third parties acting on its behalf have caused adverse human rights impacts. Where violations by employees are proven, Kenmare will implement appropriate sanctions.

Kenmare provides a copy of its Human Rights Policy to all new employees and provides training on our human rights expectations. The Group also communicates this policy to external stakeholders by making it available on the corporate website. For more information on our commitment to upholding human rights, see our Human Rights Policy.

Modern Slavery

Kenmare opposes all forms of slavery in its operations and the operations of our suppliers. The eradication of modern slavery requires a collaborative approach where government, business, civil society and the wider community works together to address this issue. We are committed to identifying, assessing and mitigating human rights impacts, providing access to remedy through effective grievance mechanisms, and ensuring continuous improvement to strengthen our actions. We work in collaboration with our suppliers to eradicate modern slavery from our supply chain and we have not been informed of, or are aware of, any modern slavery or human trafficking issues in our supply chain.

We have set a target to publish our first Modern Slavery statement in early 2021. Kenmare does not fall within the scope of the UK Modern Slavery Act 2015 (the "2015 Act") as its operations are established outside the UK. The 2015 Act relates to slavery, servitude, forced compulsory labour and human trafficking which affects global supply chains. However, Kenmare expects to adopt a policy of equivalence.

GOVERNANCE CONTINUED

Performance 2020

During the reporting period we engaged with all our Mozambique based suppliers and contractors with a specific focus on our policies. This engagement highlighted all our policies, their requirement to conform with all aspects of the policies and confirm this in writing.

Our top five Mozambique suppliers, by value, were audited for conformance to our policies. The results of this audit highlighted an overall average compliance of 90%, with no material issues identified. Improvement actions have been identified with the respective suppliers and will be tracked for completion.

During 2020, awareness training on our Business Ethics and Whistleblowing Module, which covers the Anti-Corruption Policies and Human Rights Policy was conducted. The training was limited for a period due to COVID-19 restrictions.

In 2020, Kenmare received two whistleblowing reports through the 24/7 whistleblowing

service provided by a third-party service provider, Safecall. Both reports were investigated fully by Kenmare and reported to the Audit & Risk Committee and Board. No evidence was found to substantiate the claims made in either report. Investigation findings were provided to the whistleblower where that was possible.

Kenmare engaged with Government stakeholders on aspects that impact the business. In particular:

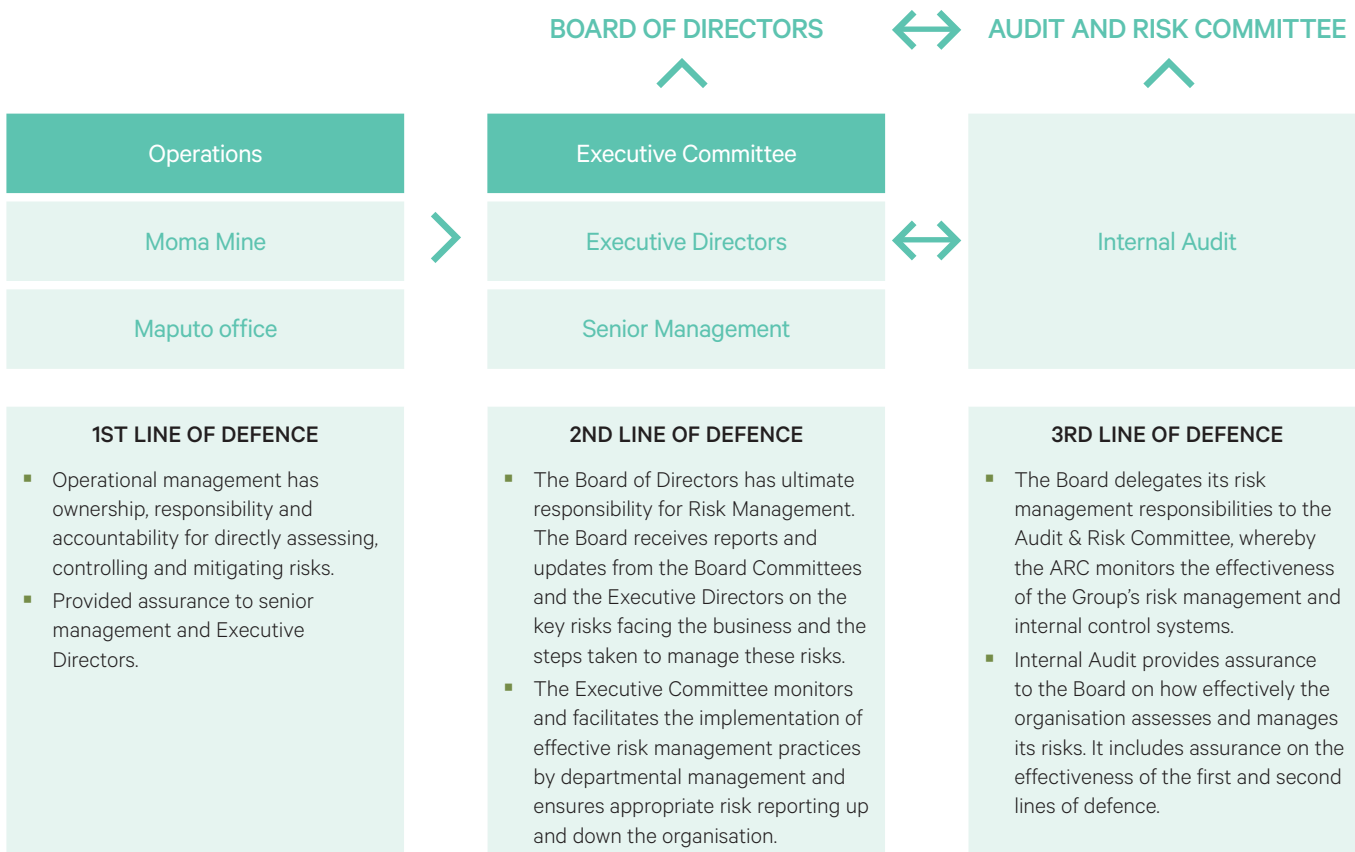
- We engaged on COVID-19 and our response to the pandemic;
- The Minister for Mines visited our operation to view the relocation of WCP B and the new mining area Pilivilil;
- Visit by the Provincial Governor and Secretary of State to see the operation, resettlement in Pilivilil and community development projects, and
- We engaged on relevant compliance audits

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

The main objective of the index is to contribute to the information on the extractive sector (mining and oil) in Mozambique being made available to society, in a regular, detailed and timely manner. CIP assessed companies on the quality of information in the areas of tax, governance, social and environmental aspects and on their degree of openness with host communities. Kenmare will develop a Portuguese website to assist further with transparency of information to complement the current English website.

Risk management

Managing risk is an integral part of our business. A comprehensive risk process is in place for assessing and managing risks associated with business and strategic corporate decisions. Through this process, significant risks faced by the Group are identified, evaluated and appropriately managed.



Risk assessment process

The Group's risk assessment process is based on a co-ordinated, Group-wide approach to the identification and evaluation of risks and the manner in which they are monitored and managed. This process begins with a bottom-up approach involving managers from the Mine's departmental areas who, through a programme of workshops, regularly perform a detailed risk review to update the departmental risk registers. In assessing the potential impact and likelihood of each risk identified, management considers the existing key controls and evaluates the risks in terms of potential residual impact. A standard risk-scoring matrix is used to ensure consistency in reporting across all areas.

Departmental risk registers are consolidated into a Group Risk Register. The Executive Committee provides input to ensure that there is a top-down view of the key risks facing the Group. This includes consideration and assessment of any newly identified emerging risks. Following a review of the Group Risk Register by the Executive Committee, the principal risks identified for the Group and their mitigations are submitted to the Audit & Risk Committee and Board for review and approval.

Disaster Management

Kenmare's risk management programme identifies risks and implements controls to minimise the likelihood of the event occurring. Where risks materialise or significant events do occur our Disaster Management Programme ensures people, plans and resources are mobilised to reduce the impact from the event, proactively engage with external stakeholders and resume normal operations as safely and efficiently as possible.

Disaster Management is a system of defined roles, processes, and tools designed to be deployed to mitigate and prevent the escalation of event consequences. Training and a simulation exercise are conducted at least annually.

Performance 2020

During the year our Disaster Management Programme was activated to test the system with a simulated event, severe weather at site. The simulation indicated that all processes and preparations were adequate.

A risk review was conducted as per our regular programme and a group wide risk review was conducted. The outcome from this review is detailed in our Annual Report, Risk

Management, www.kenmareresources.com

Kenmare's principal risks and uncertainties at this point in time are: identified through our annual risk identification process (which was informed by our materiality process) are:

- Grant and maintenance of licenses;
- Country risk;
- Geotechnical risk;
- Severe weather events;
- Uncertainty of physical characteristics of the ore body;
- Power supply and transmission risk;
- Asset damage or loss;
- COVID-19
- Health, safety and environment;
- Mineral resource statement risk;
- IT security risk;
- Development project risk;
- Industry cyclicality;
- Customer concentration;
- Foreign currency risk; and
- Loan default risk.





PEOPLE



Kenmare recognises our employees are the cornerstone of our business and our success relies on the people who work for us, their safe work, talents, skills and engagement.

In everything we do we are guided by our Principles: We Care, We Grow, We Excel and our values describe the professional behaviours we expect - Integrity, Commitment, Accountability, Respect and Excellence.

Performance

0.25

LTIFR (down from 0.27)

1.61

AIFR (down from 2.44)

Lowest

AIFR in Kenmare's history

41%

increase in work hours to 7.33 million hours (up from 5.24 million hours)

Safety and Health

MATERIAL TOPIC

Ensuring our people return home from work safely every day remains Kenmare's most important objective. Protecting the health and safety of our employees, contractors and visitors to our operations, is paramount to the Company's success.

Kenmare is firmly focused on our aim of zero harm. We apply a strategy of zero tolerance with the objective of zero fatalities or major injuries. This means that:

- no one observes an unsafe situation without taking appropriate action;
- no one observes someone behaving in an unsafe manner without requiring the individual to stop;
- no one allows a colleague to work in unsafe conditions; and
- health and safety is everyone's responsibility.

Our Company values and health and safety policies guide the way we work including taking responsibility for the safety of ourselves and our work colleagues.

Kenmare's safety culture is reinforced through improving safety leadership and ongoing awareness and training for all personnel, as well as hazard identification and fit-for-purpose risk assessment practices. All mine employees are provided with appropriate personal protective equipment to safely undertake their work.

Kenmare's 2020 safety performance resulted in a Lost Time Injury Frequency Rate (LTIFR) of 0.25 per 200,000 hours worked, down from 0.27 for the 2019 year. The All Injury Frequency Rate (AIFR) of 1.61 per 200,000 hours worked compared with 2.44 in the previous year. This year's result is the lowest AIFR in Kenmare's history. No workplace fatalities occurred as a result of operations.

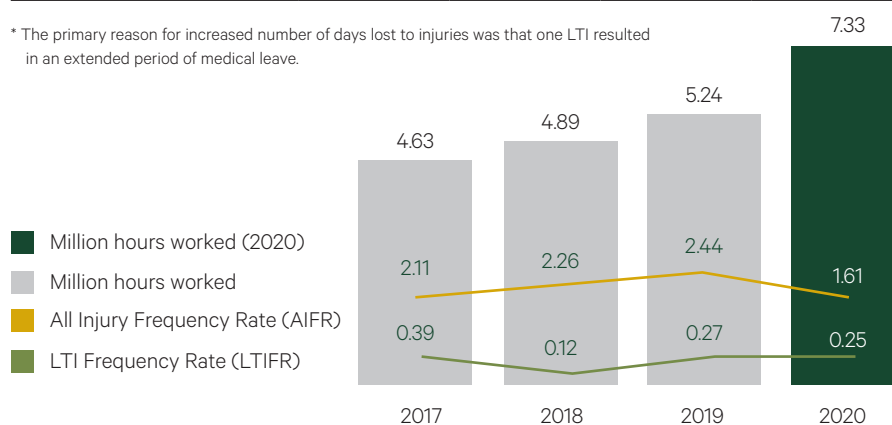
The 2020 safety results are encouraging given the 41% increase in hours worked due to the relocation project of WCP B, and the complexities of site operations continuing through the COVID-19 pandemic.

Despite the downward trend in the LTIFR, given the increase in hours worked our operations recorded a total of nine Lost Time Injuries (LTI) in 2020 compared with seven LTIs during 2019. The improvement in LTIFR came as a result of continuing improvements in safety leadership and risk assessment practices.

Table 3: Safety data, employee and contractor

	2017	2018	2019	2020
Hours worked	4,627,491	4,888,574	5,240,163	7,334,804
Lost Time Injuries (LTIs)	9	3	7	9
Fatalities	0	0	0	0
Medical treatment injuries (MTI)	3	4	6	12
First Aid Injuries (FAIs)	37	49	51	38
All injuries (AIs)	49	56	64	59
Days lost to injuries*	521	236	343	717
All Injury frequency rate (AIFR)	2.11	2.26	2.44	1.61
Lost time injury frequency rate (LTIFR)	0.39	0.12	0.27	0.25

* The primary reason for increased number of days lost to injuries was that one LTI resulted in an extended period of medical leave.



PEOPLE CONTINUED

Kenmare safety performance

A non-work-related incident at the Moma Mine resulted in the unfortunate death of one of our employees. A comprehensive investigation was completed and outcomes were communicated to the workforce. Professional psychological support was arranged for all employees directly impacted by the incident with ongoing support where needed.

Highlights

For a fifth consecutive year, Kenmare achieved a five-star certification from the National Occupational Safety Association (NOSA) Five Star System. NOSA is a South African based external occupational risk management company and it conducts an audit of Kenmare's environment, health and safety practices at the Moma Mine on an annual basis. This achievement reflects the Company's continued commitment to safety management and training.

Improving safety performance

In the first six months of 2020 there were a total of five LTIs. In response, a full review of hazard identification and risk assessment processes were undertaken, combined with a re-evaluation of the strategies in place to reinforce a strong safety culture. Identified areas for improvement

included risk assessments, safe work practices, safety leadership inspections and coaching programmes.

Actions implemented to address these areas of concern included:

- standard operating procedures and job risk assessments for all routine tasks,
- identification of all work that requires direct supervision,
- General Task Assessment implemented for non-critical routine tasks,
- new pre-task risk assessment process implemented with improved prompting of hazard types, and
- sustained more visible safety leadership in the field.

In the second half of 2020, safety performance showed a positive improvement, which Kenmare expects to continue in 2021.

Kenmare's Golden Rules focus on critical controls that aim to eliminate fatality risk. Work planning and risk assessments conducted by our people take these rules into account to ensure work continues to be conducted in a safe manner. A zero-tolerance approach applies for non-compliance with the Golden Rules, which cover six key areas:



Safety risk management

Identifying, assessing and managing safety risks

Identifying hazards and assessing risk prior to the commencement of any activity is the underpinning approach to all work conducted across Kenmare's operations. Embedding this safety culture is key to our employees working safely and returning home from work every day.

The updated risk management process implemented in 2020 includes completion of a risk assessment commensurate with the activity or task to be undertaken. Either a formal Risk Assessment or GTA must be completed. Reviewing the risk assessment or GTA is then done with guidance from a revised Take-5 process. These aim to further embed safety culture, awareness and knowledge into our operations. Kenmare has reaped the benefit of the revised Take-5 process in particular, with demonstrated elevation in the competency, safety literacy and safe task ownership amongst our workforce.

TAKE 5

A TAKE 5 is conducted as a review of the Risk Assessment or General Task Assignment before the task starts.. The TAKE 5 refers to taking 5 minutes before the job for individuals to consider:

- Is this a critical task and /or are there Golden Rule requirements?
- What other hazards are involved?
- Assess and control the risk
- Personal assessment, take the time and double check?
- Acknowledgement from the team





Safety leadership

When Kenmare's leaders demonstrate a commitment to safety and display safe workplace behaviours, our employees recognise the overall Company commitment to working safely. In 2020, our safety leadership efforts focussed on visible felt leadership, coaching sessions and leadership development of supervisors.

Our Supervisor Development Programme incorporates safety leadership and highlights the role of leaders in caring for their team members and preventing incidents, including compliance with our mantra that we do not walk past unsafe conditions or behaviours. It is mandatory for all upcoming and aspiring supervisors to participate in this programme.

Safety training and awareness

Kenmare continued to deliver safety training and awareness programmes across the Moma Mine operations in 2020. General safety training is provided to all personnel, including via inductions, with role-specific training such as working at heights, confined space entry and firefighting provided where relevant.

During 2020, Kenmare's comprehensive training programmes continued to provide general and targeted training for all personnel, whilst complying with COVID-19 social distancing and PPE requirements. Awareness of working safely is also reinforced in our daily work through toolbox meetings, safety talks, management walkabouts, internal audits and remedial actions plans.

Over 9,000 hours of training and inductions focussed specifically on safety and safe work practices were delivered in 2020. Main focus areas were:

- General Health and Safety Induction
- First Aid
- Safety Management (SAMTRAC)
- Risk Assessment
- Manual Handling
- Isolation and Lockout
- Maritime Safety

Radiation management

The mineral sands mined by Kenmare and our products contain naturally occurring radionuclides. A radiation management plan is in place and occupational exposures remain well within legal exposure limits.

Several shipments of mineral sands concentrate, which contains monazite, were despatched from Moma in 2020. Due to the monazite content, regulatory and radiation control requirements are implemented. Radiation management remains compliant with national legislation, the International Commission on Radiation Protection (ICRP) and IFC Performance Standards (2012).

Emergency response

The Moma Mine is equipped to respond to emergency incidents with a qualified and experienced Emergency Response Team (ERT) based on site, supported by plant based teams and our onsite Clinic, including paramedics. The ERT has three dedicated team members with at least two members on site at any given time. Other ERT members include trained personnel from across the operation usually working in a range of roles. In 2020, two training exercises were conducted per plant area to ensure ERT competency and maintaining appropriate skill levels.

Kenmare's Disaster Management Team includes both site-based and corporate representatives. This Team is trained to respond in the event of a natural or other disaster impacting the Company's operations. A Disaster Recovery Plan sets out the framework and governance structures that guide our response should a disaster occur. During 2020, we formally tested our readiness to manage adverse weather conditions and our response processes were found to be suitable. There were no incidents during the year requiring formal activation of the Disaster Management Team.

Security

MATERIAL TOPIC

During the year, Kenmare's security strategy was reviewed with a renewed focus on people protection, theft mitigation and insurgency monitoring. Our strategy includes the direct employment of security personnel, engagement of security contractors and working with the local Police and National armed services. All security work is conducted in alignment with the Voluntary Principles of Security and Human Rights. Security personnel are involved in a range of activities to ensure the security and safety

PEOPLE CONTINUED

of our workforce and operations. In 2020, our security team included 172 employees and 18 contractors, all of whom received training in Kenmare's approach to human rights and its application in managing the security of our operations. Our security work was supported by 42 Police officers and 26 Navy Marines.

Health

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

On-site medical centre

At the Moma Mine, we have a dedicated occupational health centre. Professionally trained staff assess and treat any injury that occurs on site and are equipped to respond to any medical emergency situation that may arise. All employees participate in our occupational medical surveillance programme. The medical centre provides access to primary medical care and we build partnerships with external health service providers to strengthen our health systems.

In addition to occupational health management, the clinic also assesses and treats malaria cases amongst employees and contractors on site.

The focus of our health education programme is on prevention of communicable diseases and the importance of maintaining healthy lifestyles. During 2020, awareness programmes continued to build understanding of HIV/AIDS and malaria, given the prevalence of these diseases in our region. The COVID-19 global pandemic brought additional focus to health screening and response activities.

HIV/AIDS

Kenmare's HIV/AIDS awareness initiatives, across our operations, are conducted through a range of communication methods including toolbox talks, newsletter articles and informational posters displayed on site. Shirts printed with HIV/AIDS awareness messages have been distributed to all employees, along with booklets and leaflets providing general awareness information on prevention and positive living. Condoms are freely available to all employees at Kenmare.

In addition to our health promotion and counselling work on site, KMAD volunteers continued with health education and awareness programmes in host communities of the Moma Mine in Mozambique.

Malaria

According to the World Health Organization, 229 million malaria cases occurred worldwide

in 2019 and six countries accounted for more than half of those cases and associated deaths, including Mozambique. Given this prevalence, Kenmare is committed to seeking and supporting the most effective prevention methods that will reduce the risk to our workforce and host communities.

The overall incidence rate of malaria amongst our workforce reduced in 2020, however given the substantially increased number of employees, the total number of recorded cases increased from 1,092 to 1,240.

Malaria management programmes implemented on site targeted bite prevention and vector control through indoor residual spraying and larvae control, and were complemented by awareness and education campaigns. Unfortunately, despite a community agreed programme to spray the inside of every house, a reduction in malaria cases was not evident within the wider community.

In response, Kenmare is exploring research partnerships with external service providers, which aims to design, solicit agreement and implement a new vector programme during 2021.



COVID-19 response

The COVID-19 global pandemic has brought some unique challenges to the way we work at Kenmare. To protect our workforce, their families and our host communities, a range of stringent risk mitigation measures including social distancing measures, hygiene protocols and the wearing of approved masks, have been in place across all offices and operations since March 2020. Kenmare's head office in Dublin has temporarily closed with employees working remotely and where necessary reduced numbers allowed in the office.

During the year, there were 77 positive COVID-19 cases on site including 25 diagnosed in December 2020. All individuals with confirmed positive tests are required to self-isolate in the Moma camp for a period of 10 days, where after they are released once they present with a negative test result.

The site is well equipped to care for anyone with a suspected or confirmed case of COVID-19, including isolation accommodation and on-site medical support. Kenmare developed and implemented comprehensive COVID-19 testing facilities on site during 2020.

The response of our people on site to COVID-19 has been tremendous. The operation has been able to maintain a positive safety record and improved our safety performance in the last half of the year. The team has implemented COVID-19 protocols to safely deliver production and meet our customers' requirements. The safe relocation of WCP B during this challenging period is a significant credit to all involved.

Due to travel restrictions that were implemented in the early stages of COVID-19 some people chose to remain on site to ensure business continuity and made a significant personal sacrifice of not returning to their families for extended periods of time.

As a result of the measures implemented early in the pandemic and the strong commitment from our workforce, Kenmare has been able to continue safe production and has not had a need to stand people down or make roles redundant.

Our community relations team and local host communities adjusted engagement practices to maintain COVID-19 safety. Despite these changes, the majority, 93%, of our community programmes were delivered in 2020.

Kenmare continues to be focused on limiting transmission and minimising the impact of COVID-19 on its employees, contractors and host communities. Further details of Kenmare's approach to managing the impacts of COVID-19 on our operations and people is available in the Company's 2020 Annual Report available on our website.

Community support during COVID-19

Kenmare is committed to supporting our host communities in the fight against COVID-19. During 2020, the Company donated personal protective equipment, and medical supplies and equipment to local communities and health facilities including:

- 8 ventilators and 50 CPAP (non-invasive ventilation with oxygen) machines to the provincial health department
- 23,000 reusable face masks across households in Namalope
- 1,000 sanitation and hand-washing kits to all markets in the 10 local villages
- 200 sanitation and hand-washing kits to the Namalope Health Centre.

As part of the community education campaign, Kenmare provided 600 information posters in all villages in the Topuito and Pilivili area. This was complemented by 41 KMAD Health Volunteers delivering door to door information and guidance. Local radio advertisements were used to promote COVID-19 safety messages, which were then passed on in every village by local leaders.

Further donations were made to the Moma and Larde Hospitals including:

- 3,000 disposable aprons
- 1,000 litres of medical alcohol
- 3,000 disposable cups
- 5,000 pairs of medical gloves
- Thermometers, soap, boots and buckets

PEOPLE CONTINUED

Human Resources

Kenmare recognises that our employees are the foundation of our business and that a partnership approach is vital to achieving business objectives and Kenmare's future success. Accordingly, the Company's focus is on recruiting the right people for the right job, enhancing skills and capability, and developing a strong and engaged team.

Our values and Code of Ethics guide the way we work and the way our team performs. Working at Kenmare, our employees can expect a workplace that is inclusive, respectful, free from unfair discrimination and harassment, and values diversity.

Kenmare is committed to continued localisation of the workforce that provides opportunities for Mozambicans, and especially people from our host communities, to gain meaningful and secure employment with the operation.

Kenmare currently has an underrepresentation of women in its workforce and therefore recruiting and retaining female talent remains a priority. Targeted training and employment programmes aim to attract females to work with us and enable these employees to benefit from the opportunities provided through employment at the Moma Mine.

In 2020, Kenmare's workforce included 1,508 employees and 2,260 contractors across our Moma Mine and the Dublin, London, Maputo, Nampula and Beijing offices.

At year end, our Mozambique operation employed 1,485 workers. Of these, 97% are Mozambican and 62% of the mine employees are from local communities. Kenmare is the only major employer in north-east Mozambique and makes a significant economic contribution to the region. Wages and benefits paid in 2020 across our Mozambique operations totalled US\$41.2m.

Our efforts to improve diversity across the Mozambique operation is reflected by an uplift in the proportion of females employed.

Local workforce

Kenmare's focus on workforce localisation has resulted in 97% of employees from Mozambique and for the first time the most senior leadership position at the mine, the General Manager, is held by a Mozambican.

All personnel at operator and tradesperson levels are Mozambican, and the percentage of Mozambican employees at supervisory levels increased to 94% from 91% in 2019. Management localisation increased to 64% in 2020, compared with 63% in 2019 and 53% in 2018.

Performance

94%

supervisors are Mozambican

97%

mine employees are Mozambican

62%

mine employees from local communities

US\$41.2m

in wages and benefits for Mozambique operations, US\$49.9m for Group

10.64%

female employees

1.48%

workforce turnover

21,000+

hours of training delivered





New General Manager

Higino Jamisse became the General Manager (GM) of Kenmare's Moma Mine in September 2020. Higino is Moma's first Mozambican GM, raised in Imhambane province in the south of the country. He studied Mechanical Engineering at Eduardo Mondlane University in Maputo and he joined Kenmare in 2012 as Engineering Manager. After 4.5 years he was promoted to Operations Manager, before becoming GM.



Table 4: Kenmare's Mozambique workforce

	2017	2018	2019	2020
Number of employees	1,324	1,398	1,423	1,485
Mozambican	93%	95%	96%	97%
Expatriates	7%	5%	4%	3%
Women	5%	7%	8%	10.64%

We prioritise local employment as a key part of sharing the benefit from our operations and in line with the Company's commitment to responsible mining and sustainable development. In 2020, Kenmare focussed heavily on skills development and providing opportunities for more employees to be promoted into senior roles.

Around 1,000 of our employees live locally in nearby communities, with the remainder residing in the camp located within the Mtiticomá village precinct. The camp provides comfortable accommodation, dining, good communication links and recreation facilities.

Labour relations

Kenmare's Employment Policy sets out the way we like to work with our team, including the Company's commitment to compliance with the relevant national laws and employment standards.

Employees are paid a living wage and are appropriately compensated relative to the industry and local labour market. We include maximum working hours in our conditions of

employment and relevant procedures, and operate in full compliance with laws relating to applicable wage, work hours, overtime and benefits. Kenmare does not hire individuals under 18 years of age. In 2020, the minimum standard wage for an entry level position at Kenmare was more than double that set by the Mozambique government.

Aligned with Kenmare's value of "we care", all full time employees enjoy a range of benefits provided in recognition of their commitment to their work. These include health care, personal accident coverage, parental leave, retirement provision and Company share awards for Heads of Department.

The employment conditions and wage rates for Bargaining Unit employees, who make up 52% of our workforce, are negotiated with the representative trade union. A three-year collective bargaining agreement is in place from 2020-2022 and includes agreed annual salary increases. Throughout 2020, we enjoyed positive labour relations with no industrial actions or disputes.

PEOPLE CONTINUED

Highlights

First employee engagement survey

Kenmare conducted its first employee engagement survey during 2020, aimed at gaining a better understanding of the overall level of employee engagement and well-being and to identify areas to improve overall engagement levels.

The survey was conducted anonymously and in both Portuguese and English. There was a very pleasing participation rate of 92% with the survey being completed both electronically and manually.

Significantly, the results show that 97% of employees have high levels of overall engagement. More than 93% of employees indicated they would recommend Kenmare as a great company to work for and over 95% responded that their job allows them to take accountability and ownership for their results.

As we continue to learn from the survey and constantly improve our workplaces, Kenmare's focus areas for 2021 will include greater celebration of success, improved communications and career and leadership development.

Safety employee of the month

Embedding a strong safety culture continues to be one of Kenmare's most important objectives. Engaging our people in identifying safe ways to work and highlighting good safety behaviours, empowers our workforce to understand their role in our safety culture. In 2020, a new programme was implemented to showcase and celebrate individuals who exemplified the values and safety commitments of Kenmare.

Any employee can nominate a colleague for the "safety employee of the month" award, based on any action that demonstrates safety in the workplace. During the year, people from across a range of positions were recipients of the monthly safety employee award.

Diversity and inclusion

MATERIAL TOPIC

Kenmare recognises that diversity is a key driver of business success. We believe that a company culture that appreciates and respects diversity and inclusion helps us to attract, engage and retain the best talent; adapt and respond effectively to the changing expectations of our stakeholders; and find innovative solutions to business challenges, leveraging on the diverse viewpoints, skills and experience of our employees and stakeholders. In early 2020, we established a new Diversity and Inclusion Policy to guide the way we work and to describe the principles and goals aimed at achieving a diverse and inclusive workplace.

Kenmare is committed to ensuring a workplace that treats equally all employees, customers, third-party service providers and business partners are not discriminated against by virtue of their gender, gender identity, civil status, family status, sexual orientation, religious belief, age, disability, race or ethnicity.

Advancing women

Kenmare is actively working to increase the number of women in our workforce. At year end 10.64% of our Mine employees were women, compared with 8% in 2019.

At year end, women again represented 20% of our Board of Directors and 11% of the executive management team, which is unchanged from 2019. Seven women are employed in the executive committee's direct reports, with an additional 35 women at the Mine in positions of leadership responsibility.

Targeted recruitment, training and development initiatives are also in place to create employment opportunities specifically for women in our Mozambique operation. In 2020, these programmes were successful in attracting women to the Kenmare workforce including:

- **53 women in our Technical Development Programme.** Participants are all studying engineering trades in electrical, mechanical and civil fields and receive a three-year financial bursary during their studies.
- **60% women participants in our Graduate Development Programme** which is targeted at recent University graduates. Participants are primarily mining engineers however some of the women are engaged as chemical engineers or in management, finance, administration and accounting fields

In addition, 50 women have successfully completed our Operator Development Programme where training is provided to women as heavy machinery operators. Successful graduates of the course enter a potential recruitment pool from which additional workers are drawn as the operation requires.



To ensure a positive workplace experience for our female employees, the Company encourages networking groups, such as the Kenmare Women in Mining Forum, which was established in 2019 to give women employees a direct line of communication with management. The forum also provides a safe space where they can share advice and experiences and discuss any challenges they may face in the workplace.

Members of the Kenmare Women in Mining Forum are also involved in mentorship programmes where they regularly visit local schools in our host communities and speak to girls about pursuing careers in mining and to encourage the next generation of women to gain further education and seek skilled positions in Kenmare's team.

AIDA'S STORY

Aida Adriano has been a Kenmare employee since 2007 and is currently a Laboratory Chemist. Aida says she enjoys working at Kenmare because of the company's care for its employees' health and safety as well as investment in the empowerment of women at the Moma Mine.



PEOPLE CONTINUED



Training and development

Investing in training and development is key to equipping our people with the skills and knowledge needed to perform their work efficiently and safely, and to achieve the Company's goals. Kenmare's commitment extends across all levels of the business **with US\$639,000 invested in more than 21,100 hours of training for our employees at the Moma Mine in 2020.** This investment equates to approximately 14 hours of training per person, with the focus on safety, supervisory and leadership development, and specialist skill enhancement.

A comprehensive review of training needs conducted in 2018 resulted in a three-year targeted training regime to address identified gaps. Over the past three years, **supplementary training has been provided for 128 employees working in mechanical, electrical and boilermaker trades.** Each person completes a two-month programme as part of a small group to minimise the impact on work outputs and operations. In 2020, the programme was successfully completed with the training delivered to 15 electrical and 12 mechanical tradespeople.

This year, our Training Personnel and Safety Officers participated in SAMTRAC – a comprehensive safety management course – as preparation for training in Instructional Techniques In Safety, scheduled for 2021. Developing these team members as certified trainers will further enable the provision of safety courses across the business.

Our commitment to supporting and developing the 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 2020, the Moma Mine placed a particular emphasis on leadership development with **100 people completing a New Supervisor training programme** and newly appointed superintendents participating in a management development programme.

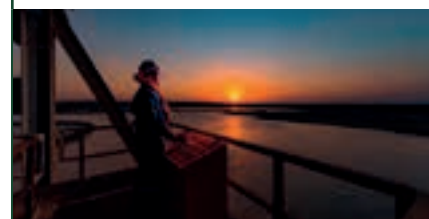
Graduate Development Programme

Kenmare's Graduate Development Programme (GDP) also remains an important strategic initiative. Through the GDP, Kenmare identifies and develops Mozambican graduates who display the potential to fulfil leadership and specialist positions in the future. In 2020, 27 people participated in the GDP and past graduates now fill roles including plant supervisors, metallurgists and geologists.



DONALD'S STORY

Donald Chintendere has been employed at Kenmare for over 10 years and is now a Shift Supervisor in the Mineral Separation Plant (MSP). Donald had no experience in mining but since joining the Company, has received training in mineral processing. This enabled him to be one of Kenmare's first two Mozambican employees promoted to MSP supervisor.



ARMINDO'S STORY

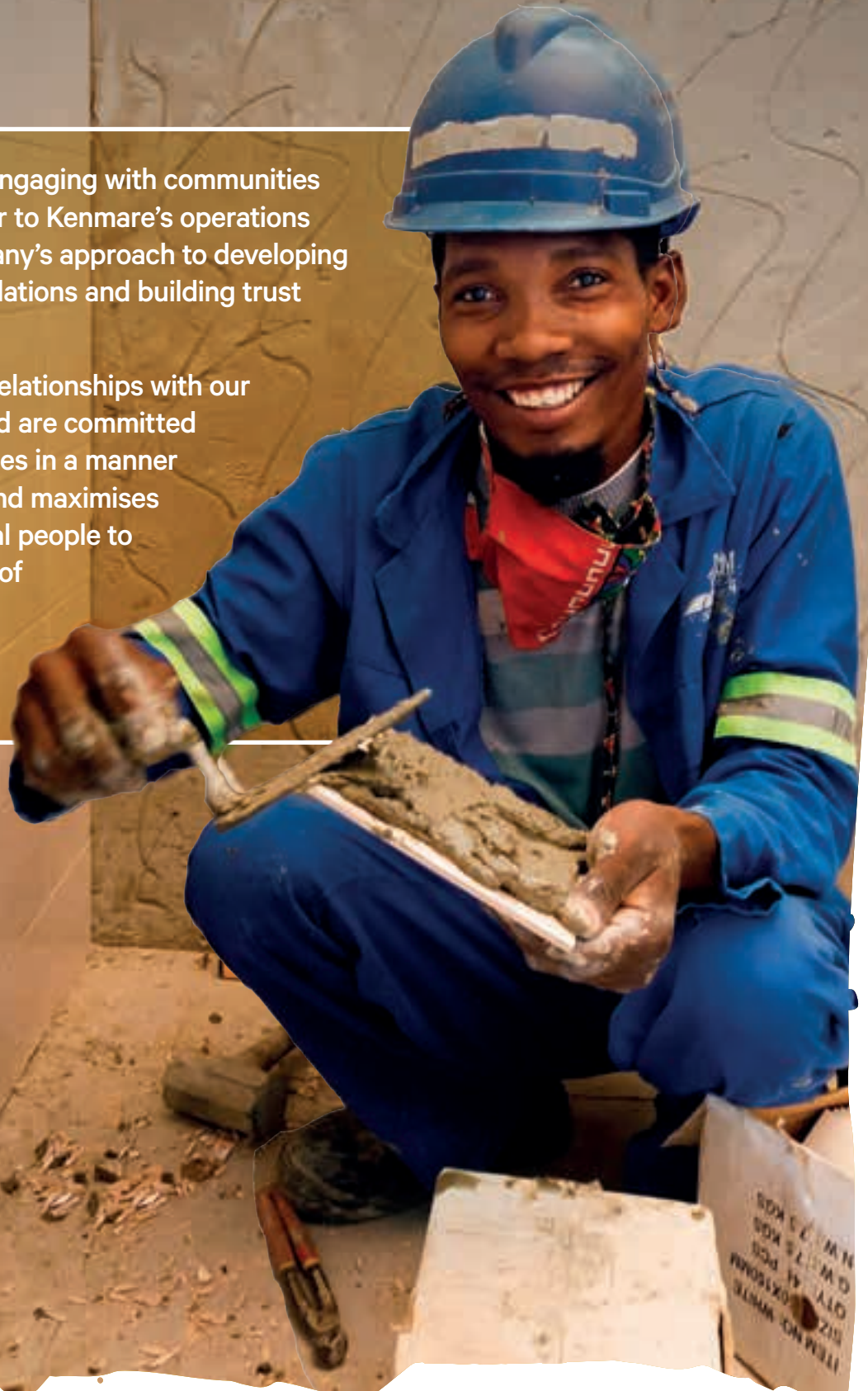
Armindo Fortes joined our team in 2014 through our Graduate Development Programme. He is now Production Supervisor of Wet Concentrator Plant (WCP) B and he says working at Kenmare has made him more safety conscious, both at work and in his everyday life. He has particularly enjoyed being part of the WCP B upgrade project and the dredge automation project in 2020.



COMMUNITIES

Understanding and engaging with communities impacted by and near to Kenmare's operations underpins the Company's approach to developing strong community relations and building trust and acceptance.

We highly value our relationships with our host communities and are committed to conducting activities in a manner that minimises risk and maximises opportunities for local people to share in the benefits of our activities.



Performance

4,200

farms resettled as part of
agreed Resettlement Action
Plan

7

new resettlement houses
under construction

14

community complaints
received and resolved

Zero

outstanding complaints or
grievances at year end

68%

female participation in
conservation agriculture
training

Community relations

MATERIAL TOPIC

Our work with the community is comprised of three pillars:

- **Engagement** – a comprehensive process for involving communities and government in planning and discussions to identify and address impacts from our operations.
- **Development** – focussing on what is important to our communities and facilitating the progression of community priorities to enhance social and economic sustainability.
- **Investment** – aligning the Company's social investments with key initiatives identified by host communities and partnering with government and NGOs to maximise the social and economic outcomes of these investments.

Independently conducted Social Impact Assessments guide our work and provide us with a clear understanding of the communities affected by and interested in our operations and ways to manage and address the impacts and opportunities associated with our mining programmes.

We are committed to engaging continuously, honestly and transparently with our host communities in a culturally appropriate way that enables us to understand our impacts on their lives. In turn, this enables Kenmare to ensure that community priorities remain at the centre of our operational decisions and guides how we address their concerns and aspirations.

By working together, Kenmare aims to address and manage these impacts while enhancing the opportunities to create constructive and enduring social and economic outcomes within our host communities.

Through KMAD, Kenmare invests in assisting community members to improve their livelihoods and wellbeing, with a focus on the agreed opportunities and priorities identified through our community engagement activities. Further details about KMAD are provided on page 45.

In 2020, Kenmare focussed on maintaining open and consistent communication with host communities and building relationships with communities in the Pilivilil and Mpaco area, surrounding the new Pilivilil operation.

Regular formal and informal engagement processes ensure the voices of our host communities are heard and information about our operations is readily available. Due to COVID-19, this year's engagement programme has included an increased radio presence and smaller but more frequent community meetings.

Our project expansion during 2020 included the opening of the new Pilivilil mining area and road infrastructure to relocate WCP B. This work was approved by the Mozambican government after submission of a comprehensive Environmental and Social Impact Assessment and a Resettlement Action Plan.



COMMUNITIES CONTINUED

Community engagement

MATERIAL TOPIC

Kenmare conducts its community engagement activities in accordance with the Company's Community Engagement and Investment Policy and associated procedures.

A participatory and partnership-based approach to our engagement means we work closely with host communities to engage with the right people at the right times.

A dedicated community relations team is accessible and welcoming of community contact, and coordinates engagement with a wide cross section of the community and with special consideration for groups that are often harder to reach such as women, elderly and vulnerable people. This approach enables Kenmare to develop an intimate understanding of local communities and their concerns and aspirations.

A Local Working Group (LWG) is the primary channel of communication between Kenmare, the Government of Mozambique and surrounding communities. Six LWGs across our host communities are scheduled to meet on a bi-monthly basis and comprise of the District Administrator, Government representatives, Kenmare management and a number of other local representatives.

The Local Working Groups play a key role to:

- monitor implementation of the Resettlement and Compensation Plan;
- identify new issues or areas of community concern and suggest amelioration and/or mitigation measures;
- assist in the finalisation of the Land Use Plan for the resettlement areas;
- facilitate land compensation in areas under its control, both in the Mine site area and in the host resettlement area;
- hold regular meetings with the affected constituencies to explain the process of compensation and resettlement, and advise about progress; and
- monitor the project area to prevent illegal encroachment and squatting.

Complaints and grievances

Kenmare takes seriously any complaint or grievance raised by the community or other stakeholders. Our Community Grievance Procedure guides how we respond and the steps taken to resolve any complaint or grievance received.

Our grievance management mechanism provides an open and transparent channel for individuals or groups in the community to communicate their grievances or complaints directly to Kenmare or via village leadership

so that these can be resolved in an effective, fair and timely manner. Complex or serious complaints are escalated within the business in accordance with our policy. Where required, the village leaders and District Government authorities play a key role in the grievance management process to ensure effective communication and problem solving mechanisms between Kenmare and the community.

In 2020, 14 complaints were received relating to crop compensation, local employment, water access and one incident of vibration caused by heavy machinery. All complaints were addressed by Kenmare in consultation with the complainants and resolved. No complaints or grievances remained outstanding at year end.

Resettlement, crop compensation and livelihood restoration

Kenmare's resettlement and livelihood restoration programmes form a key element of the Company's work with host communities. Details of these programmes are developed through extensive consultation with affected community members and in accordance with Mozambique's resettlement legislation.

Communities situated within Kenmare's proposed mineral sands mining areas are engaged in a comprehensive process to identify resettlement considerations and options. A Resettlement Action Plan (RAP) and Land Use Plan are agreed with each community, clearly outlining the resettlement commitments made by Kenmare to enable the progression of mining. These include livelihood restoration, construction of new houses and associated community infrastructure, relocation of graves where required, compensation for temporary loss of farmland and investments in community development, agriculture and enterprise initiatives.

The RAP governs the economic and physical resettlement of communities directly and indirectly affected by the mine operation and ensures cultural and traditional values and principles are considered and respected during the resettlement process.

In July 2020, Kenmare resumed the consultation process for the design of the RAP for the Namalope West project, following a pause in negotiations since early in 2019 due to community deliberations and the impact of COVID-19 early in 2020. In 2021, Kenmare will continue this work with the aim of finalising an agreed RAP and commencing resettlement of Isoa village.



PILIVILI PROJECT

The new Pilivili project, including the haul road, required the crop compensation and resettlement of 4,200 farms with an average farm size of 0.2 hectares. Agreement was reached through the LWG negotiation process and includes provision for alternate farmland and compensation for crops. Eight households are being relocated away from the mining path, with seven new houses already under construction.

KMAD



Investing in communities through KMAD

The Kenmare Moma Development Association (KMAD) is a not-for-profit development organisation, which was established by Kenmare in 2004 to implement development programmes in the host communities of the Moma Mine in north-east Mozambique.

Host communities within a 15-kilometre radius of the Moma Mine are at the centre of KMAD's programmes with three key focus areas: livelihoods and economic development, healthcare development, and education development.

Since 2004, KMAD has delivered significant improvements to local infrastructure, including drilling 24 water boreholes to provide clean drinking water for approximately 24,000 people, constructing over 56 classrooms and providing funding for over 61 small businesses.

KMAD's vision is to support:

- Communities with high standards of health and wellbeing, where local people live in safe and dignified conditions;
- Independent communities, well-informed of Kenmare's ongoing operating activities, and with access to education and opportunity for individuals to reach their potential; and
- Cohesive social groups and networks contributing to sustainable development.

A strategic plan, formulated for 2019-21 using participatory engagement methods with nine target communities in the Topuito locality, guides the priority

projects and activities of KMAD. To strengthen and elevate the success of projects, KMAD partners with NGOs with expertise in development areas such as water and sanitation, agriculture, economic development and education.

The 2020 Activity Plan was prepared by KMAD and approved by the Monitoring Forum, which was established in 2016 to increase the transparency and inclusivity of KMAD's activities. The Forum consists of members of the Provincial Assembly, Provincial Directorate of Mineral Resources and Energy, and the District Government, along with local community representatives and civil society organizations. This joint planning and monitoring ensures KMAD's plans are aligned with District development plans and support the long term sustainability of activities and infrastructure.

KMAD is governed by a General Assembly consisting of nine senior Kenmare employees. KMAD activities are supervised by the Kenmare Country Manager in co-operation with the KMAD Coordinator, who is responsible for the day-to-day management of KMAD's activities, together with seven field staff. The Kenmare Deputy Country Manager also helps to monitor and manage KMAD's activities.

Performance

In 2020, **KMAD invested US\$2.0 million** into community initiatives. Despite the complexities of delivering projects during the COVID-19 global pandemic, KMAD completed 93% of its planned activities, compared with 92% in 2019.



Livelihoods 2020 performance

US\$0.2m invested by KMAD in livelihood and development projects

55% yield advantage using Conservation Agriculture practices in 2019/2020 season

>100t of vegetables purchased by the mine from local farmers

56 small businesses supported generating revenues of **US\$557,445** in 2020, an 17.4% increase from 2019. 275 direct beneficiaries, including 85 women.

7 new projects approved for Pivilili, grocery and fishery shops, a mobile bank and enhanced vegetation production.

Livelihoods and economic development

Kenmare is committed to creating employment opportunities for local people that deliver sustainable economic growth. KMAD supports income-generating activities, such as vegetable farms to supply the Mine's kitchens, and capacity development including projects to transfer new skills, knowledge and practices to local farmers. In an area of increasing population and a limit on available farmland these skills and practices help to sustainably increase productivity and increase local food security.

Improving farm yields in sustainable ways

KMAD's agricultural development projects aim to address food security through promotion of conservation agriculture practices, provision of agricultural technical assistance, and funding for the start-up of small businesses to help increase family incomes.

KMAD's Conservation Agriculture (CA)

project continued in 2020 with the objective of transferring skills to local farmers that will enable them to sustainably increase their farm productivity, reduce crop disease, improve market connections and grow crops that were previously not viable in the area.

At the start of 2020, there were 291 farmers registered to participate in the CA project and by year-end this number had increased by over 270% to 1018, of which 68% were female. By year end, 700 farmers had prepared their land for CA. The National Association for Rural





Extension (AENA) was contracted to deliver the project and continued to train the farmers by splitting their fields in two, with one side being farmed using CA techniques and the other side with traditional farming techniques. The 2019/2020 production season results showed an average 55% yield advantage of CA when compared with traditional production methods.

KMAD's Agriculture Development Programme enables local farmers to access technical assistance, participate in training regarding seed production and product marketing, and link with seed suppliers.

As part of this programme, farmers have also participated in the cassava "pass on" scheme. Cassava is the staple food of the northern region in Mozambique, and a new variety that is resistant to

disease is imperative to the security of the supply. Under this scheme, farmers receive sufficient quantities of cassava to grow and their surpluses are passed on to another farm. Replication of this process will see wide distribution of the new cassava variety. Farmers are also being encouraged to diversify their farms to include more nutritious food crops such as beans, groundnuts and fruits.

Benefits over time

Six fold increase in farms using Conservation Agriculture practices since 2018

US\$2.77m total cumulative revenue from small businesses

Diverse variety of projects supported – egg production, bakery, chickens, sewing, grocery and hardware shops

390 vulnerable people supported



Health 2020 performance

US\$0.4m invested by KMAD in health development projects

21,579 visitations to KMAD built medical clinic

299 community sanitation campaigns reaching over 4,400 people

17 graduate nurses supported by KMAD employed in local health centres

48 health volunteers conducted health education and awareness campaigns

Maternity block at Mtiticoma and health centre at Pilivili under construction

Healthcare development

Kenmare believes that ensuring healthy lives and promoting wellbeing at all ages is essential to sustainable development. As a result, KMAD provides funding for healthcare infrastructure improvements and capacity development of medical staff. KMAD also supports access to clean drinking water through drilling boreholes to serve the villages surrounding the Moma Mine.

Healthy mothers and babies

In Mozambique, newborn and maternal mortality rates are among the highest in the world, at approximately 28 for every 1,000 births and 489 per 100,000 births respectively. The ability to have a skilled birth attendance assists in reducing preventable complications related to pregnancy and childbirth.

During 2020, the construction of a new maternity block was completed in Mtiticoma which comprises an office, nursery, birthing room and small apartment block for expectant mothers who have to travel a significant distance from home. By year end, the facility had hosted over 160 pre-natal consultations, more than 50 births and 150 family planning consultations.





In 2018, KMAD supported 35 nursing students in Mozambique to undertake a two-year mother and child healthcare course. The course concluded in December 2019 with 27 students completing the programme. In 2020, 17 of these graduates secured employment in health facilities across the Moma Mine's host communities. KMAD continues to support these graduates through financial contributions for their positions.

Clean water supplies for communities

According to UNICEF, only half of people living in Mozambique have access to clean water and in rural areas it may be as low as 1 in 5 people. Through KMAD, Kenmare has provided a clean water supply for approximately 24,000 people living in the host communities of the Moma Mine.



Benefits over time

97 bursaries awarded for nurses

>26,000 mosquito nets distributed

13,900 health awareness and education sessions conducted

Health centre and maternity block built

COMMUNITIES CONTINUED

Education development

Kenmare believes that ensuring all children obtain a good quality education is the foundation for creating sustainable development.

Accordingly, KMAD's investments in education include the construction and fit out of classrooms and other educational infrastructure, supporting capacity development of teachers, and the provision of educational scholarships. KMAD also supports skills transfer at all ages through vocational training.



Indoor classes enhance learning for children

For the Mulimuni and Naholoco village, construction of the new school is a significant milestone. This is the first school block built using conventional materials and will enable pupils to study in an appropriate environment without classes being interrupted during the wet season. Previously, classes were provided under a tree with children sitting on tree benches or on the ground.



Numeracy and literacy development

In 2019, KMAD signed a three-year contract with a Mozambican NGO called Facilidade to improve the quality of primary education and the outcomes for primary school children in the Mine's host communities. The project commenced in mid-2019 and results by year end saw significant improvement in the numeracy and literacy of the children involved. Unfortunately, schools in Mozambique were closed in 2020 due to COVID-19 and so this project has been temporarily paused.

Education 2020 performance

US\$0.8m invested by KMAD in education development

52 scholarships provided

4 new school blocks under construction at Pivilivi

240 desks supplied

171 students enrolled in KMAD built technical school, up from **90** in 2019

Benefits over time

>190 education scholarships

38 school blocks constructed

>40,000 school children provided with school materials

1,340 desks supplied

Technical schools built and operational

Vulnerable people

Across the Namalope, Pilivili and Mpaco areas, KMAD works to enable the inclusion of vulnerable people in the Company's community development projects. KMAD uses the following definition of vulnerable to assist in stakeholder identification, "people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status may be more diversely 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". We recognise that disadvantaged groups and individuals may find it more difficult to participate in formal engagement activities and benefit from the opportunities arising from the presence of our mining operations.

Accordingly, we have supported nearly 300 vulnerable people in the Namalope area since 2007. Projects focus on income generation, support for a grocery shop, and support for elderly and female-headed households through donation of chickens, participation in KMAD's Conversation Agriculture Programme and growing of vegetables in nursery plots. In partnership with the District health services quarterly mobile check-in clinics were also provided to the elderly and physically challenged.



COMMUNITIES CONTINUED

Economic value highlights

US\$41.2m

in wages & benefits for Mozambique operations, US\$49.9m for the Group

US\$78.2m

(53%) operating procurement from Mozambique suppliers

US\$2.0m

in community investments

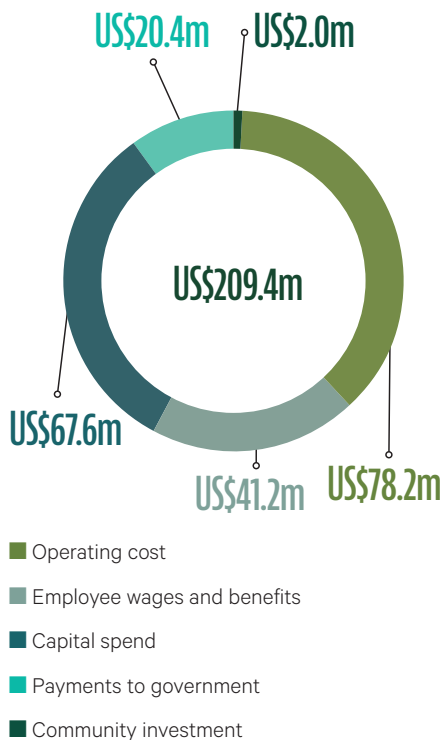
US\$20.4m

payments to Mozambique Government

US\$209.4m

economic value distributed in Mozambique

Figure 2: 2020 Economic value distributed, Mozambique



Sharing economic benefits

Approach

Kenmare's Moma Mine represents the only major economic activity in the local area, given its remote location in Mozambique. This region is characterised by relatively low socio-economic development and high unemployment. To share the value of the Mine's presence, Kenmare looks to maximise opportunities through direct and indirect employment and in-country procurement.

The Moma Mine is a significant contributor to Mozambique's economy and in 2020 accounted for around 6% of the country's exports.

Kenmare generates economic benefit through payments to government, employee and contractor wages, payments to suppliers and contractors, training, community investment and education.

Kenmare details payments to governments in its annual Payments to Governments, which is prepared in accordance with the EU Accounting Directive, 2013. This report can be found on our web site.

Community investment programmes are coordinated through the development association KMAD. KMAD's aim is to be a catalyst for positive social and economic change in the Moma Mine's host communities.



Payments to governments

Kenmare subscribes to the Extractive Industries Transparency Initiative (EITI). Established in 2002, this reporting system supports good governance through the verification and publication of payments by companies and the use of government

revenues derived from the extractive industries. In line with the EITI, Kenmare discloses the payments it makes to governments on an annual basis. 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.

Table 5: Breakdown payments to Governments US\$'000

Payments to governments	2017	2018	2019	2020
Mozambique				
Mining royalty	2,833	2,933	3,180	3,627
Industrial free zone (IFZ) royalty	1,517	2,553	2,423	2,437
Payroll taxes	6,998	8,378	8,446	6,921
Corporation taxes			2,310	5,748
Withholding taxes	978	1,077	716	1,124
Licenses	12	3	83	570
Total	12,338	14,944	17,158	20,427
Ireland				
Payroll taxes	2,262	2,739	2,678	2,495
Corporation taxes	5	4	7	267
Total	2,267	2,743	2,685	2,762
UK				
Payroll taxes	154	163	207	302
Total	154	163	207	302
Total payment to governments	14,759	17,850	20,050	23,491

GRI -207-4 Country-by-country reporting

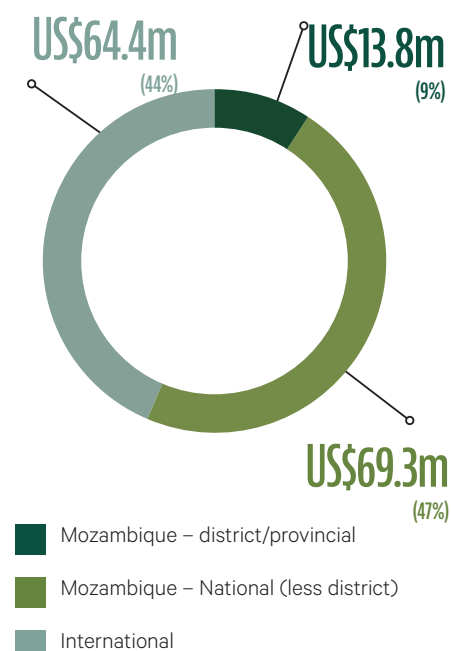
Sourcing goods and services within Mozambique

During 2020, our strategic sourcing programme, which aims to support the socio-economic development of Mozambique and the communities in which we operate by developing a sustainable, resilient local supply chain through responsible local procurement, continued to identify potential local procurement opportunities. These included supply of steel pipes, supply and repair of gear boxes and supply of batteries and tyres.

Kenmare has a total of 671 active suppliers, of which 261 are Mozambique-based and 410 are international. For the purposes of identifying and tracking the economic value created in our host country, Kenmare categorises suppliers as international, national or district/provincial.

In 2020, Kenmare sourced 53%, by value, of operating goods and services for the Moma Mine from within Mozambique, an increase from 51% in 2019. Of this, US\$13.8m was spent in the Nampula province, where our mine is located. Our total procurement spend in Mozambique during 2020 was US\$145.8m including sustaining and development capital.

Figure 3: 2020 Operating procurement spend



Supply chain management

During 2020, Kenmare enhanced the onboarding of new suppliers to the business. All new suppliers are required to complete registration documents and sign a declaration of their commitment to comply with all of Kenmare's policies, which includes compliance with Human Rights and Modern Slavery responsibilities. Depending on the type of service or goods provided, and the value of the contract negotiated, Kenmare representatives visit potential suppliers to confirm capability and quality assurance processes.

In late 2020, site audits of the five largest, by value, Mozambique-based suppliers Kenmare were conducted to assess compliance with Company policies. The audits identified an average 90% compliance rate with improvement actions identified for tracking.

In the year ahead, we will continue the policy compliance audits of our supply chain. Work will continue on our strategic sourcing strategy to identify further local procurement opportunities and seek out capability opportunities. Our Mozambique procurement target for 2021 will see an increase of approximately 10% from spend in 2020.

COMMUNITIES CONTINUED

Indirect economic impacts

Kenmare recognises the presence of its operations in the northern rural region of Mozambique provides indirect socio-economic impacts and opportunities. Social impact assessments and extensive engagement undertaken by independent consultants in existing and proposed areas of operation, guide Kenmare in understanding local conditions and exploring opportunities for collaborating with communities.

Dialogue with community and business leaders in host communities assists in understanding local and regional economies and enables Kenmare to identify business capability and capacity to supply the Company's operations, and to explore new enterprise potential. In 2020, Kenmare continued its support of small business and income generating enterprises in local communities.

The increasing proportion of local employees within Kenmare's workforce provides stable income for many households in the region and supports a positive additional effect on the prosperity of local businesses and services.

Kenmare's training, development and educational support programmes enable local people to pursue work and careers that have been previously unavailable. The Company's ongoing commitment to education scholarships and bursaries provides career enhanced opportunities in engineering, trades and health and community services. The upskilling of the local health service workers including nurses and funded by Kenmare, enables better health outcomes for local communities. Similarly Kenmare's financial support of teacher training in schools supports improved educational outcomes for local students.

The physical presence of Kenmare's operations can facilitate improvements in infrastructure and service provision which may otherwise remain out of reach of local, provincial and national governments. Establishment of power supply to the Moma mine has enabled the connection of many villages to the state-owned power network by fast-tracking the distribution of power supply to these remote areas, benefiting almost 10,000 households. In turn, this supports the education, health and wellbeing outcomes for communities.

The relocation of WCP B to Pivilili in late 2020, required the construction of a new 23km and 66 metre-wide purpose-built road to a standard capable of conveying WCP B which weighed 7,100 tonnes and withstanding a wide range of weather conditions. This road continues to provide an important asset for local communities to use for travel between Namalope and Pivilili.

Through KMAD, Kenmare invests in social infrastructure and the establishment and development of new local enterprises, agriculture improvements, health and wellbeing programmes, and education scholarships to support long-term sustainability in our host communities. The Company's long term and ongoing investment in schools, health and medical facilities and water infrastructure provides an enduring legacy of improved standards of living, wellbeing, educational attainment and employment options.

The details of Kenmare's 2020 community development investments through KMAD are described in the KMAD Annual report, www.kenmareresources.com/sustainability/kmad.

Establishment of power supply to the Moma mine has enabled the connection of many villages to the state-owned power network by fast-tracking the distribution of power supply to these remote areas, benefiting almost 10,000 households. In turn, this supports the education, health and wellbeing outcomes for communities.



Local business

As part of our local procurement programme the supply of sample bags was identified as a potential business opportunity for our host communities. At the time the bags were sourced internationally.

A local business started in 2008 producing and supplying sample bags to the mine. The business supplied 200 bags a month and employed 6 people. As skills were developed the output increased to 2,000 bags a month.

As demand grew the business was able to expand and for the last five years there are 18 families working as a cooperative supplying on average 10,000 bags a month.





ENVIRONMENT

Kenmare is committed to operating in an environmentally responsible manner and ensures sustainable stewardship of the environment within our sphere of influence by preventing, mitigating or offsetting any impacts of our activities. Understanding and monitoring the environment in which we operate is critical to effective and responsible management of environmental impacts.

ENVIRONMENT

Performance

Zero

reportable incidents

90%

electricity from
renewables

0.09 t CO₂

low four year average
carbon intensity
per tonne of
finished product

Zero

fines

180.5 ha

mine land rehabilitated

100%

compliance with
groundwater
extraction limits

Our low environmental impact is managed by:

- obtaining 90% of power requirements from renewable sources,
- a progressive land rehabilitation programme, and
- no chemicals used in our mining or processing operations.

Our operations are subject to the environmental laws and standards of Mozambique, together with international standards and guidelines. Kenmare applies the IFC Performance Guidelines (2012) in a manner appropriate to our operations.

Kenmare's environmental policy outlines the Company's environmental management objectives including:

- Compliance with applicable environmental legislative requirements guided by good industry standards.
- Striving to form partnerships with host communities and stakeholders, promoting environmental awareness and participating in the preservation of their environment, traditions and values through regular community consultation.

- Protecting and conserving biodiversity and sensitive environmental elements by reducing environmental impacts from mining activities.

Guiding principles for environmental management

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

- conducting regular performance reviews and legal compliance audits, and acting upon the results to ensure compliance with national laws and Company policy;



ENVIRONMENT CONTINUED

- the provision of adequate resources, staff and training so that employees at all levels recognise and are able to fulfil their responsibilities; and
- developing, maintaining and testing emergency procedures in conjunction with relevant authorities.

Environmental management systems (EMS)

Our EMS subscribes to NOSA Management System and is modelled on ISO 14001.

The objective of the Kenmare EMS is to facilitate and achieve compliance with the laws of Mozambique, requirements of our environmental licences, the commitments in our Environmental Policy, as well as continual improvement of environmental performance.

The EMS also sets out the detailed processes for the identification of environmental risks and implementation of action plans to mitigate

the impacts of our activities. This involves monitoring to ensure applicable standards are observed, and where deviations are encountered, reporting and mitigation take place promptly.

Senior management regularly report to the Sustainability Committee and the Board on the status of compliance with environmental and social obligations and aims to ensure that the EMS is properly implemented and maintained.

Highlights

NOSA 5-star status retained

In 2020, we continued our focus on safety and environmental management and retained our NOSA Occupational Health, Safety and Environmental Management System 5 Star status, the highest level, for the fifth year in a row. The NOSA accreditation supports our operations in ensuring understanding, compliance, monitoring and review of environmental management practices.

Environmental management for the new Pilivilil Mine.

Project expansion during 2020 included the opening of a new mining area and new haul road to relocate Wet Concentrator Plant B. This work was approved by the Mozambican government after submission of a comprehensive Environmental and Social Impact Assessment. During the relocation of the plant, there were no reportable environmental incidents and the move followed the planned programme of works to re-site the plant at its new location on the Pilivilil mine site.

During 2020 the Pilivilil Biodiversity Management Plan (BMP) and Aquatic Ecosystem Management Plan (AEMP) was developed and implemented.

BIODIVERSITY PARTNERSHIP

In 2020, Kenmare established a partnership with the National Agrarian Research Institute to improve rehabilitation and conservation outcomes in the local area of the Moma Mine. The partnership includes:

- Technical assistance and specialist training by the Forest Research Centre for Kenmare's rehabilitation team and local people involved with seed collection, plant propagation and nursery management in nearby community nurseries.
- An agro-forestry programme to increase the balance between native species and food crops through community participation with planting programmes and crop trials.
- A proposed Community Conservation Area aimed at protecting *Icuria Dunensis*.



Energy and climate change

Energy is an essential resource for our business and our approach focuses on ensuring a safe, stable, reliable and cost-effective energy supply.

Kenmare acknowledges the scientific evidence that supports the influence of humans on the climate and the resultant physical impacts. We are committed to contributing to global climate action through implementation of energy efficiencies, ensuring our business is resilient to climate change and continually reducing our carbon footprint.

Kenmare's Energy and Climate Change Strategy aims to guide the company in increasing resilience and operating in a changing climate, and to build recognition in the market for a low carbon product. Endorsed by the Board in 2020, the Strategy focusses on three areas:

- Supply – to ensure safe, stable, reliable and cost-effective energy supply
- Energy and carbon footprint – to account for and implement options to reduce energy and carbon footprint
- Adapt to a changing climate – to investigate the potential impacts of a changing climate and implement measures to protect our operation

In Mozambique, Kenmare's principal electricity source is the Cahora Bassa hydroelectrical power station with transmission through the Electricidade de Mocambique (EdM) transmission grid.

Kenmare aims to maximise the use of hydropower relative to other energy sources in its operations as it substantially reduces the Company's greenhouse gas emissions. However, due to the varying reliability of the northern power network in Mozambique, the Moma Mine uses diesel-powered electric generators, with a 12MW capacity, in the summer rainy season to ensure uninterrupted operation of our Mineral Separation Plant.

Performance

Energy use

With an ongoing commitment to the use of renewable power sources, Kenmare continues to source the majority of its electricity requirements from hydropower. Total energy is a calculation of all sources of energy used and includes electricity and diesel.

Total energy used during 2020 was 1,615,914 GJ of which 1,615,842 GJ was consumed on site and 72 GJ consumed by the Dublin office.

INVESTING IN EMISSIONS REDUCTION

90% of Kenmare's electricity supply is hydropower generated at the Cahora Bassa Dam and then transmitted to site via the EdM power network. During the summer months the electricity transmission network cannot maintain a stable power supply. As a result, the operation depends on diesel generators for electricity supply for 4 months of the year which increases Kenmare's CO₂ footprint and operating cost. The operation currently suffers from lost operating time and significant recovery losses when operating with an unstable power supply and this was going to impact on the ability of the MSP to achieve production of 1.2 million tonnes of ilmenite per annum.

A feasibility study was conducted with the aim of identifying the most suitable technology to provide an uninterrupted power supply to the MSP. The study investigated several options which included diesel or heavy fuel oil generation power plants, solar and battery storage, solar/diesel/HFO hybrid power plant and a Rotary Uninterruptible Power Supply (RUPS).

RUPS was the preferred option to improve the year-round reliability of power at the MSP. The other options being ruled out due to a variety of aspects which included high capital cost, high CO₂ emissions or large land footprint in an area where land was already used for food production.

RUPS comprises a set of four kinetic energy storage units operating through a flywheel with the ability to deliver reactive power in the event of a mains power dip or outage.

RUPS installation will commence in early 2021 at a cost of US\$16m.

With the approval of the RUPS project Kenmare expects to achieve a 15% reduction in GHG emissions and diesel operating costs after the first full year of operation. During 2021 Kenmare will set a long term GHG reduction target.

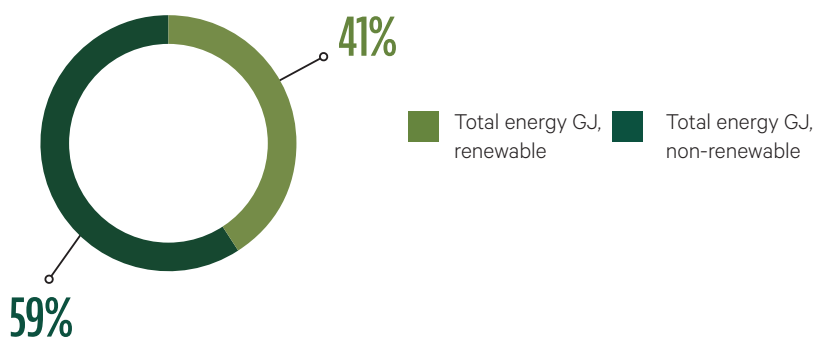
ENVIRONMENT CONTINUED

Table 6: Energy use

	2017	2018	2019	2020
Total Energy use (GJ)	1,361,445	1,410,368	1,465,878	1,615,841

The increase in energy use in 2020 can be attributed to the increased diesel use in project execution, the relocation of WCP B. If this is removed from energy calculations the total energy use is consistent with previous years.

Figure 4: 2020 Energy use by source (includes all sources, diesel and electricity)



In 2020, total energy used was 1,615,841 GJ, of which 41% (668,644 GJ) was from a renewable source, hydropower, and 59% (947,268 GJ) was from a non-renewable source, diesel.

Energy intensity has increased from 2019 to 2020 due to increased diesel use in development projects and a reduction in finished product tonnes.

Table 7: 2020 Energy intensity

	2017	2018	2019	2020
Finished product (tonnes)	1,081,300	1,043,300	988,300	840,500
Total Energy used (GJ)	1,361,445	1,410,368	1,465,878	1,615,841
Intensity GJ/tonne finished product	1.26	1.35	1.48	1.92

Electricity

At the Moma Mine, electricity is used to power the dredges, Wet Concentrator Plants, tailings and slimes disposal pumps and MSP, as well as offices and the accommodation village.

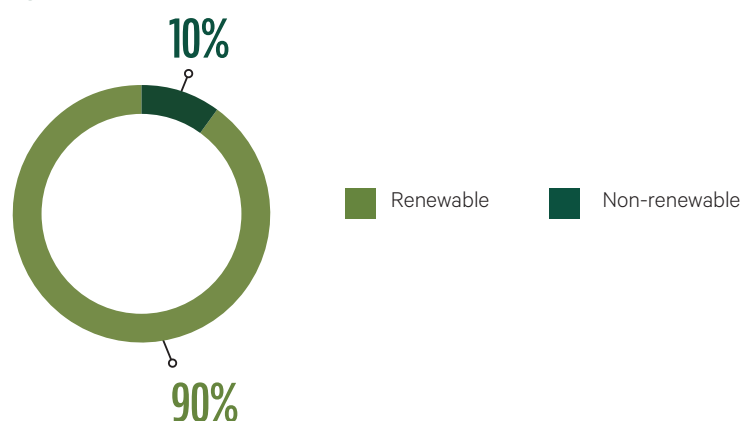
In 2020, the operation's total electricity use was 206,900 MWh, which is consistent with electricity use in 2019. Of this, 90% of the electrical energy requirement, or 185,714 MWh, was produced from a renewable source (hydropower).



Table 8: 2020 Electricity consumption and sources – Moma Mine

	2017	2018	2019	2020
Total electricity use (MWh)	199,291	195,643	206,999	206,900
Total electricity use from renewable sources (MWh)	186,965	168,373	185,440	185,714
Total electricity use from non-renewable sources (MWh)	12,326	27,270	21,559	21,185
% electricity use from renewable sources	94%	86%	90%	90%

Figure 5: 2020 Electricity sources



Diesel

In 2020, 27.4 million litres of diesel were used in our operations to supplement our primary electricity source of hydropower, for powering generators, heavy equipment and vehicles. This represents an 11% increase from 2019 driven by the development project relocating WCP B to Piliwili. When the project's allocation is removed, diesel consumption is similar to 2019.

Table 9: 2020 Diesel consumption – Moma Mine

2020 Diesel consumption – Moma Mine	2017	2018	2019	2020
Total fuel consumption (million litres)	21.3	26.9	24.6	27.4
Fuel consumption by diesel generators (million litres)	4.5	8.5	5.9	4.8

Other energy sources

There are no other sources of energy at the operation. Our Dublin office electricity is 100% renewable wind power.

Greenhouse gas emissions

Kenmare calculates and reports greenhouse gas (GHG) emissions in alignment with GHG Protocol, A Corporate Accounting and Reporting Standard. In addition to the disclosures in this report, we also submit GHG data to CDP.

Our primary source of GHG emissions is from diesel use on site. Other sources of GHG emissions are land clearing and refrigerant use. Our Dublin office has zero GHG emissions.

Table 10: 2020 Greenhouse gas emissions

Scope	2017	2018	2019	2020
Scope 1 greenhouse gas (tonnes CO ₂)	73,234	81,511	78,605	104,810
Scope 2 greenhouse gas (tonnes CO ₂) ^{1,2}	121	109	120	120
Total greenhouse gas emissions	73,355	81,620	78,725	104,930
tCO ₂ e per tonnes finished product	0.07	0.08	0.08	0.12

Notes to table:

- Based on Kenmare's current understanding of our annual, average Scope 2 greenhouse gas emissions from hydropower. These emissions relate to construction activities and decaying biomass from flooded land linked to hydropower facilities.
- Corrections to the Scope 2 emissions for 2017-19 due to a recalculation of emissions.

The increase in Scope 1 emissions and the tCO₂e per tonne of finished product can be attributed to diesel use in a development project relocating WCP B to our new mining area at Piliwili and an increase in land cleared for mining purposes compared to previous years. Calculations removing the development project diesel emissions result in emissions and an intensity consistent with previous years.

Operating in a changing climate

Kenmare is committed to reducing its energy and carbon footprint. To do so, the Company has commenced detailed analysis and assessment of climate-related risks to the operation. In 2020, our first year to disclose climate change data through the CDP Climate Change questionnaire, Kenmare has been ranked in the "Disclosure" Band with a score of D. This reflects our work to date and the early stages of our Energy and Climate Change Strategy. Our report is available at the CDP website, <https://www.cdp.net/en>

In 2020 Kenmare engaged climate experts at the University of Melbourne in Australia to conduct an analysis of the wind and wave climate in the oceans surrounding Mozambique. The team utilised global state of the art wave models which have been extensively validated.

The analysis concluded that there is a positive trend in wave height and wind speed, however these are relatively small and not immediately material. This trend appears to be consistent with recent studies which have shown long-term changes in the Southern Hemisphere wind and wave climate.

This work will be further augmented when Kenmare implements the recommendations of the TCFD during 2021 and 2022.

ENVIRONMENT CONTINUED

Water stewardship

MATERIAL TOPIC

Kenmare recognises water as a precious resource and is committed to working collaboratively with stakeholders to ensure effective long-term water stewardship and ensuring access to clean, safe water for local communities.

In May 2020, Kenmare's Sustainability Committee approved our Water Stewardship Strategy, which guides our operations to ensure the access rights of other water users are not impacted, water-related risks are managed, opportunities for increased water re-use are implemented and all Kenmare employees recognise water as a valuable resource.

Using the World Resources Institute Aqueduct™ tool, all the water extracted for the Moma operation is identified as being located in an area of low baseline water stress. Projections as far out as 2040 indicate a similar low water stress. Even so, Kenmare remains firmly committed to responsible use and efficient management of water.

Extracted from a local aquifer via groundwater bores, Kenmare uses water in the mining and processing of sand, tailings deposition, dust suppression and for drinking and sanitation supplies.

With a chemical-free mining process at Moma, most of the water utilised, except for water lost through evaporation, is returned to the groundwater table. The aquifer also receives annual rainfall recharge.

Due to the nature of mineral sands production there are no direct discharges of waste water to the environment. Wastewater from the sewage treatment plant is recycled into the process plant.

Kenmare is working to align water reporting with the International Council of Mining and Metals (ICMM) Guidelines on Water Reporting, which incorporate the Minerals Council of Australia's Water Accounting Framework, and anticipates commencement of such reporting in 2021.

Performance

Following endorsement of Kenmare's new Water Stewardship Strategy by the Board in May 2020, implementation of the Strategy focused on five key areas of activity including:

- Watershed management – to secure water supply for current and future operations while protecting and enhancing other water uses
- Impact mitigation – to mitigate environmental and social impacts associated with the extraction, use and discharge of water and enhance water use opportunities
- Operational performance – to manage water as an asset through improved performance and compliance with all commitments
- External engagement – to collaborate and engage externally on water policy, management and challenges in Mozambique to create shared value
- Internal collaboration – to ensure coordination across all water management areas of the business.

During the year, Kenmare commenced a review of the operation's current water model to improve water accounting and assist with identification of improvements in water recycling. This work will progress throughout 2021.

In October 2020, the surface water abstraction permit for Pilivilili project was obtained from the Mozambican Ministry of Public Works, Housing and Water Resources. Training regarding water abstraction requirements was provided to operational staff to assist with understanding and compliance with the requirements of the Company's environmental management plans.

Across our operations, the 2020 groundwater withdrawal volumes were well within regulatory-approved withdrawal limits. Kenmare utilised 19,439 megalitres (ML) of groundwater at our Moma Mine, the majority of which, after use, was returned (see page 69) to the groundwater aquifer. Kenmare did not have any licence exceedances or breaches relating to water abstraction, use or discharge.

Water monitoring is conducted within and surrounding Kenmare's operations as part of the overall environmental management approach including groundwater, surface water level and quality in wetland, estuary and streams. Sewage treatment plants are in place across operational areas and water quality is routinely monitored to ensure water safety and compliance with our environmental management plans.

Table 11: 2020 Water use – Moma Mine

	2017	2018	2019	2020
Water withdrawn (ML)*	18,700	18,160	17,880	19,439
Water usage efficiency (cubic metres of water/tonne of excavated ore)	0.56	0.54	0.49	0.57

* Includes groundwater that shows itself as surface water within operational areas

Highlights

Community Environment Monitoring Committee (CEMC)

The CEMC members participate in regular water monitoring activities around the mine. The aim of the CEMC is to provide community members with hands on experience of water monitoring, understanding of the water monitoring programmes and the interpretation of the water quality results. The CEMC also provide Kenmare with feedback on how potential water impacts affect local communities. CEMC members are nominated by village leadership and to date there are 12 at Namalope and 22 at Pilivilili.

Performance

180.5ha
mined land rehabilitated

10,133
Casuarina trees planted

55,881
indigenous trees planted

1,017ha
of rehabilitated land and

>126,000
Casuarina trees planted in
5 years

Land management and biodiversity

MATERIAL TOPIC

Kenmare understands that we are the temporary custodians of the land we mine and where our operations are located. As a responsible land manager, we accept accountability for minimising impact on land, protecting biodiversity and rehabilitating disturbed areas as effectively and efficiently as possible. We are committed to operating in line with the Mozambican Conservation Law, which includes a commitment to no net loss of biodiversity.

Kenmare also acknowledges the importance of the land to local communities for subsistence farming and more broadly the unique biodiversity characteristics of our local operating environment in Mozambique.

Mining licences are in place for Namalope and Pilivilil with a concessional area of 5,653ha. Kenmare has approval to mine in these areas, however the Company's strict objective is to minimise open areas at all times and prioritise progressive rehabilitation.

In June 2020, the Board of Directors approved our Land Management Strategy, which aims to deliver sustainable land management practices that achieve agreed mine land rehabilitation outcomes, support improved food security and enhance biodiversity management. The Strategy has since guided Kenmare's activities across four key areas:

- Mine Rehabilitation – to create self-sustaining ecosystems
- Food Security – to support local communities to increase and improve sustainable food supplies
- Biodiversity Management – to support the conservation and restoration of areas with biodiversity value and improve the biodiversity value of rehabilitated areas
- External Engagement – to collaborate and engage stakeholders to gain input to, promote and enhance land management practices

The Land Management Strategy ensures our operations continue to be conducted in accordance with the commitments set by the Company and in our environmental licence conditions.

Mine rehabilitation

Mineral sands mining is transitory in nature and lends itself to progressive rehabilitation enabling an active and expedited programme of infill and rehabilitation of disturbed areas. Our rehabilitation programme tailors on-ground works according to topography, adjacent ecotypes, and availability of topsoil and tailings characteristics. The final landforms involve development of a patchwork of alternative land uses post-mining, including establishment of agricultural land, forestry, savannah and woodlands. An annual rehabilitation target ensures the operation remains steadfast in its commitment to responsible land management.

Kenmare includes the cost of rehabilitation in its cash operating costs as we see rehabilitating mined lands and returning them to our host communities as an intrinsic part of our mining process. Although the Moma Mine has a life of mine of over 100 years, we set aside funds to cover closure costs, as required by law. Closure considerations form part of our ongoing planning, operational and engagement activities, with Closure Plans in place that are reviewed and updated annually.

In 2020, the land rehabilitation target of 170ha was exceeded with a total newly rehabilitated area of 180.5ha. Planting of indigenous trees supplements the development of these areas. In 2020, 9Ha was planted with 10,133 casuarina trees – a future potential commercial forestry crop – using community nurseries to supply saplings.

Table 12: Progressive mine site rehabilitation

	2016	2017	2018	2019	2020	To date
Rehabilitation total (ha)	186	292	159	200	180.5	1,449
– Topsoiling (ha)	153	246	121	168	283	1259
– Casuarina plantation (ha)	33	46	21	16	9	133
– Wetland (ha)	–	–	17	26	1	57
Number of Casuarina trees planted*	24,790	51,322	22,222	17,678	10,133	127,611

* The reduction in the number of trees planted was due to an exceptionally long dry season resulting in reduced availability of quality saplings and unfavourable planting conditions.



CONSERVING AND RESTORING ICURIA DUNENSIS

During 2020, we continued our work to restore and conserve 220ha of forest of *Icuria dunensis* adjacent to our operations. *Icuria dunensis* is a tree species endemic to Mozambique and is listed as Endangered on the International Union for the Conservation of Nature Red List.

In 2018, a bioregional survey was conducted to determine importance of the *Icuria dunensis* population at Pilivilil and increase knowledge of the distribution and health of *Icuria* forest patches. Currently, coastal forest patches of *Icuria dunensis* are small and severely fragmented. The proximity of these patches to Kenmare's operations provides an ideal opportunity for conservation and restoration of the forest areas.

In partnership with Forest Research Centre and the National Agrarian Research Institute, Kenmare is working to establish a Community Conservation Area and explore the potential for these areas to provide alternate food and revenue streams from the forest, such as honey, medicinal plants, fruit and other tree species for construction.

Mineral sands mining results in the separation of three materials streams: mineral sands, clay tailings and wet sand. Tailings are deposited into a series of settling ponds, dried and recontoured, with the previously removed topsoil redeposited. These materials form important components of our land rehabilitation programme, particularly using clay to improve the water retention properties of sandy soils in food growing areas. Rehabilitation is completed by planting with a variety of vegetation as well as food crops. The area is then transferred to the Government and then back to the local communities.

In 2020, 24.5m tonnes of sand and 2.9m tonnes of clay tailings were generated from our separation and concentration plants.

Food security

MATERIAL TOPIC

The Moma Mine is in a remote rural area of Mozambique, heavily dependent on land for food production. Our mining process temporarily impacts land that would otherwise be utilised for food production. Prior to and during mining, we work closely with surrounding communities to support food growing in alternate locations and

improvements in agricultural methods and productivity. Importantly, Kenmare's progressive rehabilitation programme aims to return rehabilitated land to the local community as soon as possible. To further support sustainable food production, biodiversity enhancement and conservation, and enduring prosperity for local communities, Kenmare is working through KMAD and with NGOs and the Mozambican Government on initiatives including conservation agriculture, agroforestry, crop diversification, forest restoration and alternate food and revenue streams from forestry such as honey production, medicinal plants, fruit harvesting and tree species for construction timber.

Further information about our food security and conservation agriculture initiatives is outlined in more detail in the Communities section of this report on page 42.

Biodiversity management

Kenmare's Pilivilil and Namalope deposits fall within the Primeiras and Segundas Archipelagos Protected Area which was declared a protected area in November 2012. The Mozambique government's Draft Management Plan for the Environmental Protection Area of the Archipelagos of the Primeiras and Segundas islands for the period of 2016-2021 provides guidance on specific activities within the

protected area to minimise threats to biodiversity, including Kenmare's mining operations.

In 2020, the Company developed a Biodiversity Management Plan (BMP), which details management measures to minimise impacts to the biodiversity within the Pilivilil project site. Also in 2020, Kenmare commissioned an Aquatic Ecosystem Management Plan (AEMP) to minimise and manage impacts on the wetland and estuary features of the Pilivilil site.

These Plans guide Kenmare's activities to ensure responsible management and mitigation of impacts to priority biodiversity features identified within the Pilivilil mine's ecological management unit including terrestrial fauna and flora, mangroves, wetland and estuary with the objective of achieving the goal of no net biodiversity loss. Our Biodiversity Offset Quantification report quantifies the extent of any loss of natural habitat as a result of project infrastructure so that appropriate biodiversity offsets can be calculated if and when required.

The BMP, including the AEMP, will be routinely reviewed to ensure it remains an effective management tool. Each review provides an opportunity to identify trends and how biodiversity may be changing on site, as well as allowing corrective actions to be taken to ensure biodiversity targets are being achieved.

Through the BMP, Kenmare is actively exploring ways to maximise land use options for all stakeholders. This best practice approach aligns with Kenmare's Environmental Policy, and our ongoing commitment to the preservation of the communities' environment and the priority species *Icuria dunensis* also found in this area.

Post-mining land hand back

Following completion of mining and rehabilitation activities, Kenmare facilitates an extensive investigation and audit process, including internal and external stakeholder engagement, to confirm suitability of the land for handing back to the local community.

Kenmare's mine planners demarcate and map the land area and a certified Radiation Protection Officer conducts a detailed survey of radiation levels across the land including dams, which is followed by any required remediation works.

Soil surveys and sample analyses are undertaken to confirm soil quality, fertility and profile, and certified by the Institute of Agricultural Research (IIAM). A final rehabilitation report is submitted to the Ministry of Land and Environment (MTA), that then conducts a site inspection and Compliance Audit. The MTA also conducts an inspection on existing Kenmare infrastructure and servitudes within the demarcated area.

Following completion of this audit, a Certificate of Servitudes is issued for Kenmare's infrastructure which still traverses the area including roads, powerlines and pipelines and a report approving the commencement of the land de-annexation process. Kenmare informs the Local Administration of the proposed handback area and invite the Administrator to conduct a site visit. This inspection is held prior to the de-annexation of the land from Kenmare's concession area, taking into account Kenmare's infrastructure servitudes.

Once the above process has been finalised, the land is handed back to the community in accordance with an agreed Land Use Plan. The Local Administration is responsible for land distribution among community members.

Waste management

Kenmare's commitment to minimise its environmental footprint and mitigate any potential negative environmental impacts, extends to how the Company generates and manages waste. Across our operations, we generate process waste in the form of sand and slimes; putrescible waste from onsite catering, offices and the accommodation village; hydrocarbons from machinery, plant and vehicles; recyclable materials including plastic, paper, metal and glass; and effluent which is managed by onsite sewerage treatment plants. We continue to focus on minimising waste generation and encouraging waste segregation at its source.

Performance 2020

At the Moma Mine, our 2020 efforts focussed on reducing waste, separation of waste at the source, appropriate deposition of non-recyclable materials and responsible management of landfill.

Reclamation of recyclable materials resulted in the diversion of 115 tonnes from landfill, however the remoteness of our operation combined with limited options for processing of recyclable materials in our region remains a complex challenge.

Hydrocarbons are removed from site and over the reporting period, 87 kilolitres of used oil were transported to a licenced facility in Beira and 30.6 tonnes of hazardous waste was deposited in the industrial landfill at Mavoco. In addition, 650.1 tonnes of scrap metal from construction and maintenance activities were stockpiled for future sale.

The Moma Mine has a licenced landfill facility, which received 207 tonnes of non-recyclable and putrescible waste during 2020. Cells within the landfill facility for non-inert material are lined to prevent the leaching of material into the underlying soil or water table.

Sewage treatment plants have been provided for the MSP, WCPs and accommodation village. Effluent quality at the sewage treatment plants is routinely monitored to ensure compliance with licence conditions. Treated effluent is discharged as part of tailings, providing additional nutrients to reshape sand dunes after mining.

In 2021, the Moma Mine will continue to progress waste management strategies including further reducing single-use plastic water bottles, exploring sustainable recycling solutions, obtaining a licence for a new landfill facility and finding acceptable options for the disposal of used tyres and rubber hoses.

Air quality and noise management

Kenmare's air monitoring programme measures particulates at multiple locations on site on a monthly basis to ensure that the site does not exceed the emission standards adopted.

Monitoring of air quality has been incorporated into the overall environmental monitoring programme for the operation and is reviewed annually by an independent air quality specialist. Although this was not possible in 2020 due to travel restrictions as a result of the COVID-19 pandemic, Kenmare conducted PM 10 and PM 2.5 monitoring on a monthly basis.

Air emission monitoring data was interpreted based on the adopted IFC interim 24-hour average target (IT-2) of 100 g/m³ for PM10 and 50 g/m³ for PM2.5. The 24-hour average results for PM10 and PM2.5 air emission monitoring registered 3.8% exceedances (8 out of 209 measurements) for PM10 and 5.4% exceedances (11 out of 202 measurements) for PM2.5 dust levels.

NO₂ and SO₂ monitoring is conducted annually and there have been no exceedances of the compliance limits. Due to travel restrictions NO₂ and SO₂ monitoring could not occur during 2020. As there were no changes to the production flow sheet during the period it can be reasonably expected that NO₂ and SO₂ would be within compliance limits.

Noise monitoring equipment is used on site to ensure that ambient noise levels do not exceed the World Bank noise standards. Workplace noise levels are also monitored and managed according to site's Operational Environmental Management Plan.



In 2020, Kenmare's on-site nursery produced around 50,000 seedlings of native species including *Icuria dunensis* an endangered species, for use in our rehabilitation programmes. Seven local community nurseries also grew and supplied seedlings to the site during the year.

PERFORMANCE DATA

Safety data, employee and contractor

	2017	2018	2019	2020
Hours worked	4,627,491	4,888,574	5,240,163	7,334,804
Lost Time Injuries (LTIs)	9	3	7	9
Fatalities	0	0	0	0
Medical treatment injuries (MTI)	3	4	6	12
First Aid Injuries (FAIs)	37	49	51	38
All injuries (AIs)	49	56	64	59
Days lost to injury	521	236	343	717
All Injury frequency rate (AIFR) per 200,000 hours worked	2.11	2.26	2.44	1.61
Lost time injury frequency rate (LTIFR) per 200,000 hours worked	0.39	0.12	0.27	0.25

GRI 403-9: Work related injuries; 403-2: Types of injury and rates of injury occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Economic value distributed, US\$m, 2020

	Mozambique	Group
Operating cost	78.2	150.9
Employee wages and benefits	41.2	49.6
Capital spend	67.6	139.3
Payments made to providers of capital	-	-
Payments to government	20.4	23.5
Community Investment	2.0	2.0
Total	209.4	365.3

GRI 201-1 Direct Economic Value Generated and Distributed.

Breakdown payments to Governments US\$'000

Payments to governments	2017	2018	2019	2020
Mozambique				
Mining royalty	2,833	2,933	3,180	3,627
Industrial free zone (IFZ) royalty	1,517	2,553	2,423	2,437
Payroll taxes	6,998	8,378	8,446	6,921
Corporation taxes			2,310	5,748
Withholding taxes	978	1,077	716	1,124
Licenses	12	3	83	570
Total	12,338	14,944	17,158	20,427
Ireland				
Payroll taxes	2,262	2,739	2,678	2,495
Corporation taxes	5	4	7	267
Total	2,267	2,743	2,685	2,762
UK				
Payroll taxes	154	163	207	302
Total	154	163	207	302
Total payment to governments	14,759	17,850	20,050	23,491

GRI -207-4 Country-by-country reporting

Ratio of Average Female to Average Male Salary 2020 - Mozambique Employees, US\$

	Number of Female Employees	Average Female Salary	Number of Male Employees	Average Male Salary	Ratio Female / Male Average Salary
Senior Management ¹					
Middle Management ¹					
Professionals / Specialists	30	26,114	181	28,467	0.92
Artisans / Maintainers	28	12,996	275	13,799	0.94
Operators and Assistants	95	4,630	801	4,927	0.94

405-2a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.

1. Fewer than 10 employees by gender are excluded for privacy reasons

Workforce By Region 2020

	Employees		
	Female	Male	Total
Mozambique	158	1327	1485
Corporate	6	17	23
Total	164	1344	1508

GRI 102-8b Information on breakdown of contract type and gender

Employee breakdown by contract type and gender 2020, Moma

Contract Type:	Female		Male	
	Permanent	Temporary	Permanent	Temporary
Senior Management	1	2	4	9
Middle Management	1	1	14	23
Professionals / Specialists	30	0	181	20
Artisans and Maintainers	13	15	261	14
Operators and Assistants	83	12	798	3
Total	128	30	1258	69

Employee breakdown by hire location 2020, Moma

	#	%
Local Local ¹	921	62%
Local ²	517	35%
International	47	3%
Total	1485	
Total Mozambique	1438	97%

1. Where local local refers to employees hired from the Moma and Larde Districts

2. Local refers to employees from Mozambique

Employee Age Distribution 2020, Moma

	< 30 years old		30-50 years old		>50 years old		Total	
	Female	Male	Female	Male	Female	Male	No.	%
Senior Management	0	0	2	11	0	3	16	1%
Middle Management	0	0	1	31	1	6	39	3%
Professionals / Specialists	14	29	13	136	3	36	231	16%
Artisans and Maintainers	24	57	5	193	0	24	303	20%
Operators and Assistants	45	85	49	637	1	79	896	60%
Total	83	171	70	1008	5	148	1485	100%

GRI 405-1, Diversity of governance bodies and employees

PERFORMANCE DATA

Employee Age Distribution 2020, Corporate

	< 30 years old		30 - 50 years old		>50 years old		Total	
	Female	Male	Female	Male	Female	Male	No.	%
Senior Management	0	1	1	3	0	3	8	36%
Individual Contributor	1	3	4	6	0	0	14	64%
Total	1	4	5	10	0	3	22	100%

GRI 405:1b, Diversity of governance bodies and employees

Average hours of training per employee category and gender, 2020

	Average Hours	
	Female	Male
Senior Management	6	8
Middle Management	110	87
Professionals / Specialists	19	18
Artisans and Maintainers	26	13
Operators and Assistants	15	9

GRI 404-1 Average hours of training per employee

Employees by gender and by category who received a performance review, 2020

	Percent	
	Female	Male
Senior Management	100	100
Middle Management	100	100
Professionals / Specialists	100	100
Artisans and Maintainers	100	100
Operators and Assistants	100	100

GRI 404-3a, employees by gender who received a performance review

Employees by gender and by category who received a career development review, 2020

	Percent	
	Female	Male
Senior Management	100	100
Middle Management	100	100
Professionals / Specialists	100	100
Artisans and Maintainers	0	0
Operators and Assistants	0	0

Employees who Received Training in Human Rights Policies and Procedures, 2020

	Employees	Total	% Employees
	Trained	Employees	
Senior Management	3	16	19%
Middle Management	9	39	23%
Professionals / Specialists	11	231	5%
Artisans and Maintainers	34	303	11%
Operators and Assistants	82	896	9%
	139	1485	9%

GRI 412-2 Employee training on human rights or procedures

New employee hires 2020 – number and rate by gender, age group and region

	<30				30-50				>50			
	Female		Male		Female		Male		Female		Male	
	#	Rate ³	#	Rate ³	#	Rate ³	#	Rate ³	#	Rate ³	#	Rate ³
Mozambique ¹	43	30%	41	29%	8	6%	47	33%	0	0	2	1%
Rest of business ²	1	17%	2	33%	1	17%	2	33%	0	0	0	0
Total	44		43		9		49				2	

1. This includes 9 new expats hired
 2. Rest of business refers to the Corporate office and includes x Dublin Y UK and 2 China based employees
 3. New Employee Hire Rate = # Female new hires <30 / Total number of new hires e.g. 43/141
- GRI 401-1a

Employee Turnover³ 2020 – number and rate by gender, age group and region

	<30				30-50				>50			
	Female		Male		Female		Male		Female		Male	
	#	Rate	#	Rate	#	Rate	#	Rate	#	Rate	#	Rate
Mozambique ¹	0	0%	4	2%	1	1%	15	1%	0	0%	2	1%
Rest of business ²	0	0	0	0	0	0	0	0	0	0	0	0
Total			4		1		15				2	

1. This includes 9 new expats hired
 2. Rest of business refers to the Corporate office and includes x Dublin Y UK and 2 China based employees
 3. Employee Turnover Rate = # Males < 30 who resigned / Number of males <30
- GRI 401-1b

Employee Turnover 2020 - Total by region and gender

	Female		Male		Total	
	#	%	#	%	#	%
Mozambique	1	0.63%	21	1.58%	22	1.48%
Rest of business	0	0	0	0	0	0

Proportion of spending on local suppliers, US\$ '000, 2020

	Total spent on all suppliers	Total spent with national suppliers	% spent with national suppliers	Total spent with local suppliers	% spent with local suppliers
Operating	147,543	78,243	53%	13,808	9.3%
Capital	139,347	67,580	48%	7,250	5%
Total	286,890	145,823	51%	21,058	7%

GRI 204-1, Proportion of spending on local suppliers

Water withdrawn and efficiency, 2020

	2020	2019	2018	2017
Water withdrawn, ML	19,439	17,880	18,160	18,700
Water use efficiency, cubic meters of water/tonne excavated ore	0.57	0.49	0.54	0.56

GRI 303, Water and Effluents 2018

Estimated waste by type and disposal method, tonnes, 2020

	Recovered, including energy recovery							Waste disposed, tonnes		
	Reused	Recycled	Composted	Incinerated	Deep well injection	Landfill	On-site storage	Other		
Non-hazardous	0	115	0	0	0	207	0	0	0	322
Hazardous	0	0	0	0	0	0	0	755		755

GRI 306-2, Waste by type and disposal method

GRI REPORTING MATRIX

GRI Content Index

Kenmare 2020 Sustainability Report

GRI Disclosure

Number	Title	Location
GRI 101 Foundation 2016		
-		
GRI 102 General Disclosures 2016		
Organisational Profile		
102-1	Name of the Organisation	Kenmare plc
102-2	Activities, brands, products and services	Mineral sands mining
102-3	Location of headquarters	Dublin, Ireland
102-4	Location of Operations	Mozambique
102-5	Ownership and legal form	Inside cover
102-6	Markets served	Inside cover
102-7	Scale of the organisation	Page 10, 36
102-8	Information on employees and other workers	Page 36, data tables page 67-69
102-9	Supply chain	Page 53
102-10	Significant changes to the organisation and it's supply chain	relocation of WCP B to Pilivili
102-11	Precautionary Principal or approach	Page 5
102-12	External Initiatives	Page 18 - 19
102-13	Membership of associations	Zircon Industry Association.
Strategy		
102-14	Statement from senior decision-maker	Page 2-5
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	Page 6-7
Governance		
102-18	Governance Structure	Page 24-26
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 14-15
102-41	Collective bargaining agreements	Page 37
102-42	Identifying and selecting stakeholders	Page 14-15
102-43	Approach to stakeholder engagement	Page 17, Page 43-44
102-44	Key topics and concerns raised	Page 17
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual report
102-46	Defining report content and topic boundaries	Page 10
102-47	List of material topics	Page 17
102-48	Restatements of information	No restatements
102-49	Changes in reporting	
102-50	Reporting period	1 January 2020 to 31 December 2020
102-51	Date of most recent report	First report
102-52	Reporting cycle	Annual

Number	Title	Location
GRI 102 General Disclosures 2016 continued		
Reporting Practice continued		
102-53	Contact point for questions regarding the report	Jeremy Dibb, Head of Investors Relations, jdibb@kenmareresources.com
102-54	Claims of reporting in accordance with the GRI Standards	Nil
102-55	GRI Content Index	Produced as appendix to Sustainability Report
102-56	External Assurance	This report has not been externally assured. External assurance is being considered for future reports.
GRI 201 Economic Performance 2016		
Management Approach Disclosures		
103-1	Explanation of the material topic and its Boundary	Page 52-53
103-2	The management approach and its components	Page 52-53
103-3	Evaluation of the management approach	Page 52-53
Topic Specific Disclosures		
201-1	Direct economic value generated and distributed	Page 52
GRI 202 Market Presence 2016		
Management Approach Disclosures		
103-1	Explanation of the material topic and its Boundary	Page 36-37
103-2	The management approach and its components	Page 36-37
103-3	Evaluation of the management approach	Page 36-37
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202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Page 67
202-2	Proportion of senior management hired from the local community	Page 37
GRI 203 Indirect Economic Impacts 2016		
Management Approach Disclosures		
103-1	Explanation of the material topic and its Boundary	Page 45

Number	Title	Location
103-2	The management approach and its components	Page 45
103-3	Evaluation of the management approach	Page 46-51

Topic Specific Disclosures

203-1	Infrastructure investments and services supported	Page 45-51
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GRI 204 Procurement Practices 2016**Management Approach Disclosures**

103-1	Explanation of the material topic and its Boundary	Page 53
103-2	The management approach and its components	Page 53
103-3	Evaluation of the management approach	Page 53

Topic Specific Disclosures

204-1	Proportion of Spending on local suppliers	Page 53, 69
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GRI 205 Anti Corruption 2016**Management Approach Disclosures**

103-1	Explanation of the material topic and its Boundary	Page 25
103-2	The management approach and its components	Page 27
103-3	Evaluation of the management approach	Page 28

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205-2	Communication and training about anti-corruption policies and procedures	Page 28
205-3	Confirmed incidents of corruption and action taken	Page 28

GRI 302 Energy 2016**Management Approach Disclosures**

103-1	Explanation of the material topic and its Boundary	Page 59-61
103-2	The management approach and its components	Page 59-61
103-3	Evaluation of the management approach	Page 59-61

Topic Specific Disclosures

302-1	Energy consumption within the organisation	Page 60
302-3	Energy intensity	Page 60

Number	Title	Location
GRI 303 Water and effluents 2018		
Management Approach Disclosures		
303-1	Interactions with water as a shared resource	Page 62
303-2	Management of water discharge-related impacts	Page 62

Management Approach Disclosures

303-1	Interactions with water as a shared resource	Page 62
303-2	Management of water discharge-related impacts	Page 62

Topic-Specific Disclosures

303-3	Water withdrawal	Page 62
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GRI 304 Biodiversity 2016**Management Approach Disclosures**

103-1	Explanation of the material topic and its Boundary	Page 63-65
103-2	The management approach and its components	Page 63-65
103-3	Evaluation of the management approach	page 63-65

Topic Specific Disclosures

304-1	Operational sites owned, leased, managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas	Page 64
MM1	Amount of Land (owned or leased and managed for production activities or extractive use) disturbed or rehabilitated	Page 63

GRI 305 Emissions 2016**Management Approach Disclosures**

103-1	Explanation of the material topic and its Boundary	Page 60-61
103-2	The management approach and its components	Page 60-61
103-3	Evaluation of the management approach	Page 60-61

Topic Specific Disclosures

305-1	Direct (Scope 1) GHG emissions	Page 61
305-2	Energy indirect (Scope 2) GHG Emissions	Page 61
305-4	GHG Emissions intensity	Page 61

GRI REPORTING MATRIX CONTINUED

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103-3	Evaluation of the management approach	Page 65
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307-1	Non-compliance with environmental laws and regulations	Page 57
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401-1	New employee hires and employee turnover	Page 69
GRI 402 Labour Management Relations 2016		
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103-1	Explanation of the material topic and its Boundary	Page 37
103-2	The management approach and its components	Page 37
103-3	Evaluation of the management approach	Page 37
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402-1	Minimum notice periods regarding operational changes	Depends on level of change, significant change is 3 months
MM4	Number of strikes and lock-outs exceeding one weeks duration, by country	Page 37

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403-2	Hazard Identification, risk assessment and incident investigation	Page 32
403-3	Occupational health services	Page 34
403-4	Worker participation, consultation and communication on occupational health and safety	
403-5	Worker training on occupational health and safety	Page 33
403-6	Promotion of worker health	Page 33-35
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 32-33
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403-8	Workers covered by an occupational health and safety management system	100%
403-9	Work related injuries	Page 31, 66
GRI 404 Training and Education 2016		
Management Approach Disclosures		
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GRI 405 Diversity and Equal Opportunity 2016		
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103-2	The management approach and its components	Page 38
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103-3	Evaluation of the management approach	Page 33
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GRI 412 Human Rights Assessment 2016		
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103-1	Explanation of the material topic and its Boundary	Page 27
103-2	The management approach and its components	Page 27
103-3	Evaluation of the management approach	Page 44
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412-1	Operations that have been subject to human rights reviews or impact assessments	100% - 1 operation
412-2	Employee training on human rights policies or procedures	Page 68

Number	Title	Location
GRI 413 Local Communities 2016		
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103-1	Explanation of the material topic and its Boundary	Page 42-44
103-2	The management approach and its components	Page 42-44
103-3	Evaluation of the management approach	Page 42-44
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413-1	Operations with local community engagement, impact assessments and development programs	100%, 1 operation Page 43-51
413-2	Operations with significant actual and potential negative impacts on local communities	Page 43-51
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	Page 44
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples and the outcomes.	Page 44

Number	Title	Location
Resettlement		
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103-1	Explanation of the material topic and its Boundary	Page 44
103-2	The management approach and its components	Page 44
103-3	Evaluation of the management approach	Page 44
Topic Specific Disclosures		
MM9	Sites where Resettlements took place, the number or households resettled in each and how their livelihoods were affected in the process	7 households 4,200 farmlands
Closure Planning		
Management Approach Disclosures		
103-1	Explanation of the material topic and its Boundary	Page 63
103-2	The management approach and its components	Page 63
103-3	Evaluation of the management approach	Page 63
Topic Specific Disclosures		
MM10	Number and percentage of operations with closure plans	100%, 1 operation

GLOSSARY

AI: All injury	ISO: International Standards Organisation	TCFD: Task force on Climate related Financial Disclosures
AIFR: All Injury Frequency Rate	IT: Information technology	WCP: Wet Concentrator Plant
AEMP: Aquatic Environmental Management Plan	KMAD: Kenmare Moma Development Association	WCP A: The original WCP, which started production in 2007
BMP: Biodiversity Management Plan	KMML Mozambique Branch: Mozambique branch of Kenmare Moma Mining (Mauritius) Limited (KMML)	WCP B: The second WCP, which started production in 2013
the Company: Kenmare Resources plc	KMPL Mozambique Branch: Mozambique branch of Kenmare Moma Processing (Mauritius) Limited (KMPL)	WCP C: The third WCP, which started production in 2020
CDP: Formerly Carbon Disclosure Project	KPI: Key performance indicator	WHIMS: Wet high intensity magnetic separation
CIP: Centro de Integridade Publica	LTI: Lost Time Injury	
CO₂: Carbon dioxide, Greenhouse gas	LTIFR: Lost Time Injury Frequency Rate	
COO: Chief Operating Officer	LWG: Local Working Group	
COVID: Corona Virus Disease	MD: Managing Director	
CPAP: Continuous Positive Airway Pressure	Moma, Moma Mine or the Mine: The Moma Titanium Minerals Mine consisting of a heavy mineral sands, processing facilities and associated infrastructure, which mine is located in the north east coast of Mozambique under licence to the Project Companies.	
EdM: Electricidade de Moçambique	MITADER: Ministério de Terra, Ambiente e Desenvolvimento Rural or Ministry of Land, Environment and Rural Development.	
EITI: Extractive Industries Transparency Initiative	ML: Mega litres, 100,000L	
EMP: Environmental Management Plan	MSP: Mineral Separation Plant	
EMS: Environmental Management System	MTA: Ministry of Land and Environment	
EU: European Union	MTI: Medically treated injury	
ERT: Emergency Response Team	Mtpa: Million tonnes per annum	
ESG: Environment, Social and Governance	NGO: Non-Government Organisation	
ESIA: Environment, Social Impact Assessment	NO₂: Nitrogen Dioxide	
FAI: First Aid Injury	NOSA: National Occupational Safety Association	
FD: Financial Director	OECD:	
FOB: Free On Board	PM: Atmospheric particulate matter – also known as particulate matter (PM) or particulates – are microscopic solid or liquid matter suspended in the Earth’s atmosphere	
GDP: Graduate Development Programme	PPE: Personal Protective Equipment	
GHG: Greenhouse gas	UN: United Nations	
GJ: Giga joule of energy	RAP: Resettlement Action Plan	
GM: General Manager	RUPS: Rotating uninterrupted power supply	
GRI: Global Reporting Initiative	SDGs: Sustainable Development Goals. Launched by UN in 2015	
Group or Kenmare: Kenmare Resources plc and its subsidiary undertakings	SO₂: Sulphur Dioxide	
GTA: General Task Assessment		
ha: Hectare, measure of land area		
HMC: Heavy mineral concentrate		
HOD: Head of department		
HR: Human Resources		
HSSE: Health, safety, security and environment		
ICMM: International Council on Mining and Metals		
IFC: International Finance Corporation		
IIAA: Institute of Agricultural Research		

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