

Consolidated ESG disclosures

Section	Reporting element	Information and the source
Corporate governance		
Corporate governance disclosure with respect to climate risks and opportunities (CR&O)	Control of the Board of Directors over CR&O Management role in assessing and managing CR&O	The Health, Safety, Environment and Sustainable Development Committee acts to assist the Board of Directors by developing and providing recommendations on: <ul style="list-style-type: none"> ensuring HSE compliance embedding sustainability in strategic planning and social and economic development at KMG KMG's social commitments and programmes under subsoil use contracts monitoring KMG's environmental performance. For more details, see Health, Safety, Environment and Sustainable Development Committee section
Strategy		
Corporate governance disclosure with respect to CR&O	Control of the Board of Directors over CR&O	As part of the CDP, KMG has been disclosing data on direct and indirect greenhouse gas emissions, greenhouse gas management, and key risks and opportunities across all KMG's assets, including international assets in Romania and Georgia, since 2019. In July 2021, the KMG Climate Change 2020 Questionnaire was published. According to the report, the direct carbon dioxide emissions at KMG Group's level totalled 8.7 mln tonnes in 2020 (9.7 mln tonnes in 2019). The CO ₂ equivalent data are presented using the global warming potential set out in the IPCC Fifth Assessment Report (28 for methane and 256 for nitrous oxide). The greenhouse gas emissions data were verified by an independent accredited organisation's report for each subsidiary or associate. Data for 2021 will be disclosed in KMG's CDP report to be published in Q3 2022. We seek to ensure consistency and comparability when preparing our disclosures. We are committed to enhancing disclosures and increasing the scope of reporting around our Scope 3 emissions.
Disclosures on the actual and potential impact of CR&O on the Company's operations, strategy, and financial planning where such information is material	Short-, medium- and long-term CR&O identified by the Company CR&O impact on the Company's operations, strategy, and financial planning	The Company has developed the 2022–2031 Low-Carbon Development Programme, which includes both existing opportunities to reduce our carbon footprint (higher energy and resource efficiency) and additional areas for decarbonisation (RES, CO ₂ capture, use, and storage, forest carbon projects, hydrogen production). Several scenarios are modelled based on global economy development: <ul style="list-style-type: none"> Net Zero Emissions by 2050 Scenario – a normative IEA scenario of achieving net zero CO₂ emissions by 2050, with advanced economies reaching net zero emissions sooner than others. This scenario also meets key energy-related United Nations Sustainable Development Goals (SDGs). Stated Policies Scenario (STEPS) – takes account of existing policies and measures, as well as those that are under development. Under the scenario, CO₂ emissions remaining on the current trajectory will lead to a global temperature rise of 2.7 °C by 2100 (with a 50% probability). Announced Pledges Scenario (APS) – assumes all announced net zero ambitions and targets are on the path to deliver the necessary emissions reductions, regardless of whether these have been anchored in any concrete policies. Under the scenario, CO₂ emissions remaining on the current trajectory will lead to a global temperature rise of 2.1 °C by 2100 (with a 50% probability). Sustainable Development Scenario (SDS) – a “well below 2 °C” pathway to the outcomes targeted by the Paris Agreement. For more details, see Global Trends and Their Impact on Strategy Implementation

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Risk management		
Processes used by the Company to identify, assess, and manage climate risks (CR)	Processes used by the Company to identify and assess climate risks	<p>In its operations, the Company faces risks related to climate change, including:</p> <ul style="list-style-type: none"> • market risks – risks associated with changes in demand and consumer patterns • political, legal, and regulatory risks – risks associated with the transition of the global economy to low-carbon development and with the measures taken in the Company's countries of operation to make regulations on GHG emissions more stringent • reputational risks – risks associated with perceptions by stakeholders of the Company's participation in the transition to a low-carbon economy or refusal to do so • technological risks – risks associated with the accelerated transition of the global economy to low-carbon development due to the development and increased efficiency of low-carbon technologies • physical risks – risks associated with changes in weather and climate conditions and other characteristics of the natural environment in the Company's regions of operation, which may affect equipment reliability and human health (including risks of natural disasters and permafrost thawing) <p>For more details, see Key Risks section</p>
	The way the processes of identifying, assessing, and managing climate risks are integrated into the Corporate Risk Management System	Data for 2021 will be disclosed in KMG's CDP report to be published in Q3 2022.
Indicators and targets		
Disclosure of indicators and targets used to assess and manage relevant CR&O where such information is material	Disclosure of indicators used by the Company to assess relevant CR&O in line with its strategy and risk management process	Data for 2021 will be disclosed in KMG's CDP report to be published in Q3 2022.
	Disclosure of Scope 1, 2, and 3 (where applicable) GHG emissions and associated risks	
	Targets used by the Company to manage CR&O; performance vs targets	See Commitment to UN Global Compact principles and 17 Sustainable Development Goals section