

# COMPLIANCE WITH TCFD RECOMMENDATIONS

Recommended disclosures	Sections of the annual report	
<b>Corporate governance</b> Disclose the organisation's governance around climate-related risks and opportunities.	<b>a)</b> Describe the board's oversight of climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>Ensuring Sustainable Development (p. 132)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> <li>CRMS Participants (p. 238)</li> </ul>
	<b>b)</b> Describe the management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>KMG's Development Strategy (Strategic Goal 4) (p. 50)</li> <li>Ensuring Sustainable Development (p. 132)</li> <li>Sustainable Development KPIs of KMG's Management (p. 144)</li> <li>CRMS Participants (p. 238)</li> </ul>
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<b>a)</b> Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> <li>Global Trends and Their Impact on Strategy Implementation (p. 26)</li> <li>Key Risks (p. 243)</li> </ul>
	<b>b)</b> Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>Global Trends and Their Impact on Strategy Implementation (p. 26)</li> <li>KMG's Development Strategy (Strategic Goal 4) (p. 50)</li> <li>Commitment to UN Global Compact Principles and 17 Sustainable Development Goals (Goal 13) (p. 137)</li> <li>Low-Carbon Development Programme (p. 145)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> <li>Key Risks (p. 243)</li> </ul>
	<b>c)</b> Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> <li>The scenarios have not been developed so far. In 2022, the Company signed a memorandum with the EBRD under which the EBRD will develop a stress-testing model for KMG accounting for different climate scenarios (RCP2.6, RCP4.5 and RCP8.5)</li> </ul>
<b>Risk management</b> Disclose how the organisation identifies, assesses, and manages climate-related risks.	<b>a)</b> Describe the organisation's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>Commitment to UN Global Compact Principles and 17 Sustainable Development Goals (Goal 13) (p. 137)</li> <li>Low-Carbon Development Programme (p. 145)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> <li>Key Risks (p. 243)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> <li>Key Risks (p. 243)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> </ul>
	<b>b)</b> Describe the organisation's processes for managing climate-related risks.	
	<b>c)</b> Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	

<b>Metrics and targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<b>a)</b> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> <li>KMG's Development Strategy (Strategic Goal 4) (p. 50)</li> <li>Commitment to UN Global Compact Principles and 17 Sustainable Development Goals (Goal 13) (p. 137)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> <li>Low-Carbon Development Programme (p. 145)</li> <li>Energy Saving and Energy Efficiency Programmes (p. 153)</li> <li>Sustainable Development KPIs of KMG's Management (p. 144)</li> </ul>
	<b>b)</b> Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	<ul style="list-style-type: none"> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> </ul>
	<b>c)</b> Describe the targets used by the organisation to manage climate-related risks and opportunities and actual performance against targets.	<ul style="list-style-type: none"> <li>KMG's Development Strategy (Strategic Goal 4) (p. 50)</li> <li>Commitment to UN Global Compact Principles and 17 Sustainable Development Goals (Goal 13) (p. 137)</li> <li>Climate Change and Greenhouse Gas Emissions (p. 158)</li> <li>Low-Carbon Development Programme (p. 145)</li> </ul>