CENTRAL ASIA METALS PLC

CLIMATE CHANGE

As outlined in our Climate Change Policy, we recognise climate change as one of the most important challenges and believe that every government, community, company and individual has a vital role to play in reducing carbon emissions and safeguarding the future of the planet. We acknowledge the increasing importance of understanding the impact of climate change on the environment, and we are actively working to assess and address its potential impact on our business.

Our climate change strategy

As global efforts to decarbonise accelerate, we remain committed to our purpose, which is to produce base metals essential for modern living, and to supporting the energy transition through responsible mineral extraction. We are committed to the UN SDGs and recognise the urgency of addressing climate change and its consequences.
Our approach is guided by our Climate Change Policy and strategy. The policy outlines our commitment to addressing the effects of climate change, and the strategy sets out our strategic response to climate change, through emissions reduction, climate adaptation, energy efficiency and the proactive identification and management of climate-related risks and opportunities.
Our strategy is built on five pillars, focusing on delivering meaningful and achievable GHG emission reductions, while taking into account the economic realities and life stages of our assets and the contexts in which we operate.

Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Producing metals which contribute positively to the energy transition	Working towards decarbonisation	Ensuring we are operationally resilient	Focusing on our strategic and business resilience	Delivering clear and transparent climate-related reporting disclosures

We are committed to achieving net zero by 2050, including a 50% reduction in GHG emissions by 2030. However, our current assets are projected to reach the end of their operational lives well before this target date – 2034 at Kounrad and 2039 at Sasa. As such, our climate change strategy is focused on the current lives of our operations in Kazakhstan and North Macedonia, identifying meaningful GHG emission reduction opportunities. We also integrate climate considerations into long-term business development decisions.

The context of our operations is fundamental in understanding our climate change strategy. As a smaller group with limited financial resource and a broad stakeholder base, we concentrate on climate change solutions that are both realistic and cost-effective, and appropriately scaled to our business. Our emissions targets are ambitious yet achievable – we aim to deliver, not overpromise. We continue to explore ways to advance our climate objectives whilst taking into account the evolving regulatory, economic and environmental constraints.

Although climate change is a strategic priority, we also recognise the importance of other sustainability issues identified through our double materiality assessment (DMA). Based on stakeholder input, some of these issues are equally, or in some cases more, pressing. As such, we take a balanced, practical approach, allocating resources to address both climate challenges and other critical sustainability topics effectively.

For information on progress with our climate change strategy, see our sustainability reports and ESG datasheet on our website.

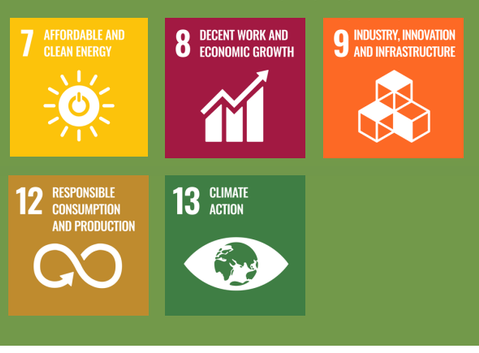
Why it matters?
As a contributor to greenhouse gas emissions, we recognise the importance of minimising energy usage and addressing climate change impacts across our value chain. Our main emissions include greenhouse gases (GHGs) and particulates that contribute to climate change acceleration. Energy efficiency is also important for cost control, and we actively seek improvements and renewable energy alternatives. Exceeding air quality limits or high GHG emissions could lead to fines and expose us to future carbon-related regulations or taxes.

Where our impact occurs:
- The Group
- Our supply chain
- Our local communities

Relevant policies:
- Environment Policy
- Climate Change Policy

Reporting frameworks and Initiatives:
- GRI 302, 305
- SASB EM-MM-110. EM-MM-130
- TCFD (see CAML's Annual Report)

Associated SDG's: 7, 8, 9, 12, 13



Risks

Identifying climate-related risk

In 2022, CAML conducted climate scenario planning, supported by external consultants, to assess the resilience of its strategy against three plausible climate futures: Net Zero 2050, Net Zero 2090 and High Physical Risk. The scenarios incorporated both transition and physical climate risks, and considered potential impacts over short-term (2021–40), medium-term (2041–70) and long-term (2071–2100) horizons, aligned with IPCC methodologies. As our operations are not expected to extend beyond 2070, the focus was primarily on short- and medium-term risks.
The analysis tested key variables such as regulatory change, stakeholder expectations, commodity demand, water stress and extreme weather. The results broadly validated CAML's climate strategy and highlighted opportunities to enhance resilience through energy efficiency, increased renewable sourcing and improved risk management. Climate-related risks are assessed as part of our broader Group risk process. For more information, see our Annual Report.

CARING FOR THE ENVIRONMENT

Indirect global risks

We recognise the potential impacts of broader global climate risks (such as migration, agricultural disruption, water scarcity and biodiversity loss) on our operations, host communities and stakeholders. Although these risks are not unique to CAML, they may present long-term challenges that affect regional stability and resource availability. Through our decarbonisation efforts (Strategic Pillar 2) and adaptation measures (Strategic Pillar 3), we are reducing our exposure. For example, we have committed to a 75% reduction in surface water abstraction at Sasa by the end of 2026, compared with a 2020 baseline.

Climate change-related risks and opportunities

Risk	Risk/opportunities	Risk description	Entity	Short-term	Medium-term	Mitigation measure
Physical risks	**Wildfires**	Wildfire can pose significant risks because it can destroy equipment and infrastructure, lead to site evacuations and shutdowns, cut access to and from the mining site and cause fatalities. In addition, disruptions during wildfire events can lead to revenue losses, and capital costs for repairing and maintaining equipment.	**Kounrad**	●	●	Fire suppression systems have been installed at both Kounrad and Sasa. Additionally, at Kounrad there is a site-based fire brigade, and regular fire drills are conducted with employees and the fire brigade. In 2023, Sasa continued to enhance its fire protection systems across site. The hydrant system installed throughout the site enables the site-based rescue team to address fires within the facilities and combat forest fires. Regular training sessions are conducted with employees to familiarise them with the use of fire hydrants and fire extinguishers.
			Sasa	●	●	
	Water stress	Water stress can lead to local competition for water resources, affecting pricing and availability. This could potentially impact our operations and associated costs due to our reliance on water within our processing facilities.	**Kounrad**	N/A	N/A	We aim to minimise freshwater or make-up usage wherever possible. At Kounrad, emerging concerns relate to the declining water level in Lake Balkhash, which serves as one of the two main sources of water supply for operations. There are no immediate impact on operations and management continues to closely monitor the situation.
			Sasa	●	●	At Sasa, our water management strategy is focused on increasing the recycling/reuse of technical waters within the operation and decreasing the usage of surface water.

The physical risks disclosed include those assessed as medium-high or above, in the short-term (2011-2040) and medium-term (2041-2070). We have not focused on long-term (2071-2100) physical risk due to the life of our operations.

Risk	Risk/opportunities	Risk description	Short-term	Medium-term	Mitigation measure
Transition risks	**Policy and regulatory risks, including external carbon pricing**	CAML may face direct exposure through its emissions profile and indirect exposure via channels like fuel carbon taxes and supplier pricing, with more stringent disclosure and permitting standards. Significant costs could arise from CAML's emissions profile.	●		Proactivelly monitoring evolving landscapes and integrating climate risk considerations into business strategies to lower CAML emission profile in operating jurisdictions.
	Market behaviour	Supply chain disruptions caused by physical hazards, affecting the reliability and efficiency of operations.	●		Identifying and engaging with alternative suppliers that have low-carbon footprints or more sustainable practices, which could help reduce costs in the long term. CAML could also engage with suppliers and encourage them to adopt more sustainable practices, which could help reduce the costs of their products and services over time.
		Shifts in supply and demand for commodities, products and services.	●		
		Supply chain disruptions exacerbated by the disorderly nature of a delayed transaction.	●		
	Technological shifts	Increased energy needs due to older technology. CAML's mine sites not implementing cleaner technology fast enough compared to other mine sites.	●		CAML could investigate carbon capture and storage, electrification of transportation, investing in onsite renewabls and energy technology and implementing emerging renewable technology and/or more efficient energy opportunities

	Reputation	Reputational risk is related to emission reduction performance in comparison to past performance against peers.		Increased investment in research and development of sustainable mining practices and technologies that can reduce the environmental impact of mining operations.

Risk	Risk/opportunities	Risk description	Short-term	Medium-term
Opportunities	**Technology advancements**	Technological innovations are paving the way for reduced energy consumption through enhanced efficiency and the adoption of cleaner energy sources. Key initiatives include: In 2021-2022, Kounrad added temperature sensors to the Western Dumps allowing for efficient heating of leachate solution and reducing coal consumption by 15%. In 2023, completion of the Solar Power Project, with a 4.77MW capacity, is expected to supply 16-18% of Kounrad's electricity needs.		●
	Increased demand for copper	Copper's importance in the low-carbon economy is growing, driven by its use in renewable energy, electric vehicles and energy-efficient technologies. Kounrad's copper production method, reprocessing waste dump rocks, addresses this increased demand and cuts CO_2 emissions by 18% compared to traditional mining.		●
	Jurisdictions that favour renewals transition	Our projects are strategically located in regions committed to renewable energy, evident from their updated NDCs. This alignment is crucial for the long-term development of technologies aimed at fully electrified mining and energy efficient equipment. Our North Macedonia operation uses 100% renewable energy, sourced from a combination of solar and hydropower.	●	

Managing Climate-related risks

We identify, asses and manage climate-related risks through our existing risk management framework, as outlined in the Risk Management section of our Annual Report. Climate responsibilities are shared across departments and overseen by various committees and roles, ensuring that risks are identifies, evaluated and mitigated effectively. Climate-related risks and opportunities are regularly reported to the Board and it's Committees, keeping governance central to our approach.

Climate risks are integrated into our Group risk registrar and reviewed quarterly at both site and corporate levels, with outcomes reported to the Group Risk Committee (GRC) and Board to ensure consistency across the Group.

Metrics and targets

Process against our climate targets is tracked through the Group's performance monitoring process. For specific CAML performance, please refer to our sustainability reports and ESG datasheet on our website.

CAML remains committed to reducing Scope 1 and 2 emissions by 50% by 2023 (from a 2020 baseline) and to achieving net zero by 2050. The Group has reported Scope 3 emissions annually since 2022, enhancing visibility of our full emissions profile. Although no Scope 3 target is currently set, we are strengthening our approach through supplier engagement and improved data collection.

Although the financial impacts of climate risks are not yet fully quantified, we continue to monitor their potential effects on costs, capex and future performance.

Our approach to energy efficiency

As a Group, we maintain strict cost control, with energy efficiency being a key component owing to its significant impact. We continuously monitor energy costs and intensity to evaluate the effectiveness of our energy efficiency strategies and their related carbon intensity.

We promote responsible energy use through employee training, and apply energy-saving measures across all processes. Both sites are required to identify and pursue opportunities for continuous improvement in energy performance. CAML complies with all relevant energy regulations in its countries of operation. At Sasa, we also comply with the relevant European Union Framework Directives, as these have been adapted into North Macedonian law.

Energy reduction initiatives are a critical part of our decarbonisation efforts, and we continuously explore new opportunities to improve efficiency. Reducing electricity consumption remains a priority.

Strengths and capabilities

Given the importance of climate change - both globally and to our stakeholders, as demonstrated by our recent DMA, it is important that we retain the correct skills within our Board and Committees.

Specific climate-related experience includes:

- A former institutional investor with knowledge and understanding of shareholder expectations with respect to climate action, and a focus on Director remuneration
- A strategy and corporate development professional with a forward-looking climate perspective
- A sustainability professional with a focus on non-financial reporting
- A geoscientist integrating technical and sustainability concerns

CAML leverages its internal expertise across sustainability, risk management and finance to support the Board in climate-related decision-making, supplemented by external specialists for independent insight.

We embed our climate change strategy into Group culture through internal communications, employee engagement, sustainability-linked KPIs and targeted training.

Responsibility and accountability

Governance

Climate-related risks and opportunities are integrated into CAML's risk management framework and treated as Principle Risks. Ultimate responsibilities lies with the Board, supported by the Sustainability Committee, providing dedicated oversight, reviewing progress and receiving quarterly updates. Key outcomes are shared with the Board. Boarder matters, such as emissions reduction and regulatory developments, are discussed at Board level and integrated into strategic decision-making.

The Audit Committee plays a key role in overseeing climate-related risk management and disclosures, ensuring the integrity of climate data in financial reporting, and evaluating the financial and regulatory implications of climate risks. The GRC reviews climate-related risks quarterly, including emerging risks, and reports these to the Audit and Sustainability Committees. These bodies collectively report climate risks to the Board through the Group's principal risk process.
Strategy implementation is overseen by the CEO and managed by the Head of Sustainability. The Audit Committee and CFO ensure climate-related risks and opportunities are embedded in the Group's financial planning and decision-making, supported by the Group Financial Controller and Head of Risk and Internal Control.

Operationally, site-based risk co-ordinators work with local management and risk committees to assess and monitor climate-related risks, and outcomes are reported to the GRC. CAML's governance framework ensures climate considerations are embedded in both operational risk assessments and corporate strategy.

For more information on the responsibilities of the Board Committees, see our Committees page on our website.

Scope and boundaries

CAML calculates Scope 1, 2 and 3 emissions in line with the Greenhouse Gas Protocol, using refined assumptions and updated emissions factors to improve accuracy. We report on 11 of the 15 Scope 3 categories, including downstream activities, to enhance transparency.
For information on our boundaries, calculation rationale, methodology and assumptions applied in calculating CAML's Scope 1, 2, and 3 GHG emissions inventory, please refer to the CAML GHG Emissions Methodology Report available on our website.