

# Kingsgate Consolidated Modern Slavery Statement 2024





## About this statement

This Modern Slavery Statement for the period 1 July 2023 to 30 June 2024, is made in accordance with S14 of the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) jointly by the following Kingsgate Reporting Entities:

- (1) Kingsgate Consolidated Limited (ABN 42 000 837 472) (**Kingsgate Consolidated**), and
  - (2) Kingsgate Capital Pty Ltd (ABN 23 095 220 607) (**Kingsgate Capital**)
- (**Kingsgate Reporting Entities, Kingsgate, we or us**).

This statement addresses the actions undertaken by us, to identify, assess and address the risks of modern slavery in our global operations and supply chain.

Kingsgate Consolidated Limited is the parent entity of Kingsgate Capital approving the Statement on Kingsgate Capital's behalf.

The Board of Directors of Kingsgate Consolidated Limited have duly approved this Statement.

Signature: \_\_\_\_\_

Name: Ross Smyth-Kirk OAM

Executive Chairman of Kingsgate Consolidated Limited

Date: 10-12-24

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## Our structure, operations and supply chain

### Our structure and Operations

Kingsgate Consolidated, headquartered in Sydney and incorporated in Australia, is a company engaged in gold and silver mining, development, and exploration. It is listed on the Australian Securities Exchange under the code KCN.

Kingsgate Capital is a company incorporated in Australia and 100% owned direct subsidiary of Kingsgate Consolidated. It is a holding entity within the Kingsgate Group. It does not carry on any business or operation and has no employees.

Kingsgate owns and operates the Chatree gold mine in central Thailand through Akara Resources Public Company Limited (**Akara Resources**), a company incorporated in the Kingdom of Thailand. This mine is located about 280 km north of Bangkok, spanning the provinces of Phichit, Phetchabun, and Phitsanulok. Additionally, Akara Resources has an administration office in Bangkok. Akara Resources is 48% owned by Kingsgate Capital, which is in turn 100% held by Kingsgate Consolidated.

The Chatree gold mine produces gold dore, which is sold to a refinery in Thailand. Alongside these mining operations, additional exploration activities are conducted in the area surrounding the mine, furthering our efforts in resource development.

Kingsgate also owns the Nueva Esperanza project in northern Chile, a prospective pre-feasibility stage development project situated in the Maricunga gold and silver belt in the Atacama Region. Our operations in Chile include a logistics office in Copiapó, north of Santiago.

### People Workforce

As of 30 June 2024, Kingsgate Consolidated Group's workforce totalled 832 individuals, consisting of 414 direct employees and 418 third-party contractors. Our employment distribution is as follows: 14 employees in Australia, 812 in Thailand, and 6 in Chile.

In Thailand, the workforce is made up of 399 Akara direct employees and 413 third-party contractors. Notably, 98% of our Thai workforce are Thai nationals, with 90% originating from the local communities surrounding the Chatree gold mine.

### Our Supply Chain

Kingsgate has a diverse global supply chain, through which we procure a range of goods and services to support our exploration, development, mining, processing, customer and corporate support services. Our procurement function is decentralised, with each location having its own procurement team, suppliers are engaged through purchase orders or long form contracts, depending on the type of supplier.

Our total spend for FY24, was AUD \$138.3 million and we engaged 444 suppliers in 11 countries. The table below shows the split by region, country, volume of suppliers and value of spend.

| Regions      | Supplier Location | \$AUD Spend     | Volume of Tier 1 <sup>1</sup> Suppliers |
|--------------|-------------------|-----------------|---|
| ASIA PACIFIC | Thailand          | 105,139,800.124 | 297                                     |
| AUSTRALIA    | Australia         | 19,529,472.594  | 90                                      |
| ASIA PACIFIC | Indonesia         | 4,142,109.580   | 3                                       |

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<sup>1</sup> Suppliers with whom we have direct contracts

|                      |              |               |    |
|----------------------|--------------|---------------|----|
| <b>ASIA PACIFIC</b>  | Singapore    | 3,693,689.999 | 3  |
| <b>ASIA PACIFIC</b>  | China        | 3,282,133.050 | 4  |
| <b>SOUTH AMERICA</b> | Chile        | 1,347,277.452 | 36 |
| <b>NORTH AMERICA</b> | USA          | 590,897.156   | 4  |
| <b>ASIA PACIFIC</b>  | Hong Kong    | 312,711.008   | 3  |
| <b>NORTH AMERICA</b> | Canada       | 161,366.570   | 1  |
| <b>AFRICA</b>        | South Africa | 155,816.730   | 2  |
| <b>ASIA PACIFIC</b>  | Lao          | 1,314.270     | 1  |

We acknowledge that the goods and services supplied by our suppliers with whom we have contracted, may not be manufactured or provided in those suppliers' countries, but in jurisdictions that are at higher risk for modern slavery.

Our top spend categories were mining services and contractors, chemicals and spare parts engineering and construction.

## Our modern slavery risks

We understand that modern slavery is a complex global issue that impacts all businesses to some extent, often remaining hidden, it is defined in the Modern Slavery Act to include forced labour, human trafficking, debt bondage, servitude, deceptive recruiting for labour or services, and the worst forms of child labour.

In FY24, 81% of our annual group spend in value and 69% of our volume of suppliers, was incurred in countries with a higher prevalence of modern slavery risk as identified in <sup>2</sup>Walk Free's flagship report, the 2023 Global Slavery Index (GSI), namely Indonesia, Thailand, Laos and China.

The GSI assesses countries for the prevalence of, vulnerability to and government actions in relation to modern slavery and ranks countries accordingly. A total of 160 countries were assessed in the latest 2023 GSI report. The below table reflects the modern slavery risk profile of the countries in which we operate, explore and have suppliers:

| Operation | Supply chain | Country   | GSI 2023 Country risk prevalence rating | GSI 2023 Prevalence of modern slavery per 1000 people | No of people in modern slavery GSI 2023 |
|-----------|--------------|-----------|---|---|---|
|           | X            | Indonesia | 62/160                                  | 6.7   | 1,833,000                               |
| X         | X            | Thailand  | 79/160                                  | 5.7   | 401,000                                 |
|           | X            | Lao PDR   | 86/160                                  | 5.2   | 38,000                                  |
|           | X            | China     | 111/160                                 | 4.0   | 5,771,000.00                            |

<sup>2</sup> **2023 Global Slavery Index (GSI)** produced by the Walk Free Foundation an international human rights group focused on the eradication of modern slavery in all its forms. This is the most recent version of the GSI

|   |   |              |         |     |            |
|---|---|--------------|---------|-----|------------|
|   | X | USA          | 122/160 | 3.3 | 1, 091,000 |
| X | X | Chile        | 125/160 | 3.2 | 61,000     |
|   | X | Hong Kong    | 132/160 | 2.8 | 21,000     |
|   | X | South Africa | 133/160 | 2.7 | 158,000    |
|   | X | Singapore    | 138/160 | 2.1 | 12,000     |
|   | X | Canada       | 144/160 | 1.8 | 69,000     |
| X | X | Australia    | 149/160 | 1.6 | 41,000     |

We recognize that our business is not exempt from these risks and acknowledge that based on our spend and locations profile, we are at risk of potential involvement in modern slavery through the procurement of goods and services in our supply chain and our operations in Thailand.

We are dedicated to identifying and addressing the risks of modern slavery in our operations and supply chain. In doing so, we consider the ways in which we may *cause*, *contribute to* or be *directly linked* to modern slavery based on the use of those terms in the UN Guiding Principles on Business and Human Rights (UNGP's).

As part of the preparation of our inaugural FY24 report, we undertook a high-level modern slavery risk review of our operations and supply chain, including a consideration of the modern slavery risks of the countries we operate, explore in and source from, and categories of goods and services that we procure. We drew on a range of tools and resources in our analysis, including the Walk Free, Global Slavery Index and US Department of Labor reports in relation to child labour and human trafficking as well as the Responsible sourcing tool, a collaboration between Verité and the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons.

### In our business

We recognise that there is a potential risk of involvement in modern slavery through our operations in Thailand due to the country's high prevalence of modern slavery risk and the wide, diversified supplier base in country. While our ESG strategy emphasizes building and supporting our local community, including local procurement, this approach can inadvertently expose us to risks of child labour and forced labour.

### **CAUSE, CONTRIBUTE, DIRECTLY LINKED**

In identifying and assessing our risk of involvement in modern slavery, we have used the concepts of cause, contribute and directly linked as set out in the UNGP's and encouraged in the ***MSA Guidance for Reporting Entities May 2023*** from the Australian Government.

A company may **cause** modern slavery if its operations directly result in modern slavery practices (e.g. if a mining company used forced labour at one of its operations)

A company may **contribute** to modern slavery if due to its actions or omissions, in its operations or supply chain contribute to facilitating or incentivising modern slavery (e.g. if a mining company knowing imposes such cost reductions that a supplier could not meet the requirements of the project without exploiting workers through modern slavery like practices)

A company may be **directly linked** to modern slavery if its operations, products or services are connected to modern slavery through the actions of another company it has a business relationship with, such as a joint venture partner or supplier and includes entities that the company does not have a direct relationship with (e.g. e.g. if a company procures goods that were manufactured using forced labour, even if this was multiple tiers down the supply chain)

These risks are known to occur in industries such as garment manufacture, construction including, transporting building materials, domestic work, restaurants, motor vehicle repair shops and gas stations which may directly or indirectly support our mining operations.

We consider that the risk of involvement through our operations in Australia and Chile are lower, given the lower prevalence of modern slavery in these countries, the nature of our spend and the profile of our workforce, which comprises professional, skilled workers, as well as our direct recruitment processes.

To mitigate our risk, in Thailand, we employ staff directly through employment contracts, making minimal use of labour hire firms. In our Thai operations, most of our semi-skilled staff are hired through internal recruitment processes and are residents living within a 10 km radius of the mine site, and since the operation is not a live-in site, staff return to their families daily.

We offer above-minimum wage salaries and additional benefits such as transport fees, provident funds, and medical benefits and provide staff with employment contracts in their native languages. We only employ workers over the age of 18, and all overtime worked is entirely voluntary.

Four employee committees exist within the organization, which employees are free to join and serve as active communication channels between employees and management, fostering discussions on productivity, safety, environmental matters, community relations, and personnel improvements.

Our staff have long tenure with the company, with most employees having been with the organization for over 10 years, resulting in a very low staff turnover ratio.

### [In our supply chains](#)

Using a risk-based approach in assessing our tier 1 suppliers, we identified the procurement of the following goods and services, in no particular order, to be of higher risk for modern slavery. This is based on a range of factors including sector risk (e.g. use of low skilled workforce, migrant labour, vulnerable easily replaced labour, presence of labour contractors and long, complex and/or non-transparent supply chains) and country risks (e.g. goods produced in countries with higher prevalence of modern slavery):

- Spare parts, engineering and construction
- Mining services and contractors
- Chemicals
- Tyres
- Personal Protective Equipment (PPE)

## [Our approach to assessing and addressing our modern slavery risks](#)

### **Governance and Policies**

The Board of Kingsgate Consolidated Limited is responsible for the overall corporate governance of the company and its subsidiaries ("Group"). The Board believes that good corporate governance helps ensure the future success of the company, the group and adds value to stakeholders and enhances investor confidence.

Kingsgate is committed to maintaining high standards of corporate governance, underpinned by group corporate policies on Code of Conduct, Anti-Bribery and Anti-Corruption and Whistleblowing Policy. While this does not represent our complete suite of policies, these are the ones that relate to our approach to human rights and modern slavery.

Our Code of Conduct is designed to provide a benchmark for professional behaviour throughout the group; support the Company's business reputation and corporate image; and make Directors and employees aware of the consequences if they breach the Code. It sets out how we do business and the standards of behaviour we expect from our workforce. The Code emphasizes our approach to caring for our people and working with integrity. It takes a zero-tolerance approach to workplace discrimination, bullying or harassment, including sexual harassment fostering the creation of a respectful, safe and fair working environment.

Our Thai subsidiary, Akara Resources, upholds our Code of Conduct and Anti-Bribery and Anti-Corruption Policy and additionally operates a site Policies and Procedures Manual, which provides clear rules or guidelines for management and staff to be observe in carrying out their normal duties. Through the personnel policies, Akara Resources prioritizes building a respectful and supportive culture and environment for employees at all levels and reflects a dedication to family values and community engagement by favouring local and internal candidates for employment. As a result, over 98% of the workforce consists of Thai nationals, both direct employees and contractors.

We also recognise the nexus between bribery and corruption risks and human rights including modern slavery risks and have developed an Anti-Bribery and Anti-Corruption policy. Our Anti-Bribery and Corruption Policy and Code of Conduct strictly prohibit any activities involving bribery, corruption, unauthorised payments or exerting improper influence by any company representatives. Furthermore, they mandate compliance with all applicable ABC laws wherever we conduct business.

## **Remediation**

Through our Whistleblower Policy which, applies to all employees as well as the employees of suppliers and contractors, we encourage the reporting of misconduct. While the policy does not expressly refer to human rights, it could be used to cover these types of issues, as it for example addresses "bullying, discrimination, and harassment of any kind regardless of age, race, ethnicity, nationality, gender (including gender identity and expression), religion, sexual orientation, disability as well as any other class protected by law". The Policy allows for reporting of matters either orally or in writing and has an option for anonymous reporting. It protects the identity and maintains the confidentiality of reporters and has a zero-tolerance approach to retaliation. It also sets out the process for conducting fair and independent investigations.

A Targeted Standard on Whistleblowing for the Thailand jurisdiction was under development for Kingsgate Group's operation in Thailand in FY24, which aligns with the group Whistleblower Policy.

In addition, Akara Resources also has established processes for reviewing and managing complaints from internal and external stakeholders, which includes: (1) a "Contact Us" page on the company website, where stakeholders can report matters using either an online form, an email address or telephone number (2) nine feedback and complaint boxes which have been installed around the mine in key locations which the Community Relations and Development (CRD) team checks from the 1st to the 3rd of each month, and welcome all feedback received as they strive to work together to develop the community sustainably and (3) the CRD team also actively engages with local residents through house visits and monthly village meetings, this initiative covers 28 villages within a 5-km radius of the mine, encompassing 5,252 households and 14,048 individuals.

While no modern slavery issues were raised through either the group or the site level grievance mechanisms during the year, we recognise that this does not necessarily mean that no such issues could exist.



## **Training**

In FY24, we identified anti-bribery, whistleblowing, and conflicts of interest as the first tranche of training to be rolled out across the group. All Kingsgate and direct Akara Resources employees received this training at the beginning of 2024 and first quarter of FY25.

## **Due Diligence**

We recognize the importance of undertaking due diligence to understand our exposure to modern slavery risks in our operations and supply chain and the actions we need to take to prevent and mitigate them.

We plan to embark on a program to review our internal procurement processes as it relates to human rights and modern slavery risk exposure. We will enhance our supplier due diligence processes in collaboration with the commercial team, which will form part of our comprehensive approach to managing supply chain risks, already initiated by the commercial team.

## Assessing the effectiveness of our approach

We recognize the importance of monitoring and measuring our efforts to improve and communicate our progress. We are on a journey and are committed to continually improving our approach to managing modern slavery risks.

Plan to establish a dedicated team, reporting process and key performance indicators (KPIs) for regularly reviewing and assessing the effectiveness of our actions for FY25 and beyond are underway.

Progress on effectiveness of this approach, will be reported to the Board and members of the Audit Committee, which has delegated responsibilities for risk management, including reviewing compliance with relevant laws and regulations.

## Consultation with our owned and controlled entities

Representatives from Kingsgate Consolidated engaged in consultations with the management of Akara Resources in preparation for the development of Kingsgate's inaugural modern slavery statement for FY24. The risk assessment for our operation and supply chain was discussed and consulted with representatives of each key functional team participating in the due diligence process to prepare this Statement.

## Other relevant information

FY24 marks a significant milestone for Kingsgate as this is our inaugural Modern Slavery Statement.

At Kingsgate, we are committed to upholding high standards in environmental, social, and governance (ESG) practices, operating sustainably to benefit shareholders, employees, and local communities. Akara Resource's sustainability approach is centred on four key pillars: building sustainable communities, expanding educational opportunities, promoting health and well-being, and ensuring access to clean water.

Through sustainability projects such as the:

- building of schools, donations of equipment and uniforms to underprivileged students and the provision of scholarships to primary school students and

- provision of direct and indirect employment opportunities to local entrepreneurs and the employment of local Chatree and Thai workforce accounting for 98% of the workforce

Kingsgate actively contribute to improving the lives of the communities, and thereby addresses some of the root causes or structural factors that can contribute to modern slavery, such as poverty, forced migration and education.

## Looking forward

We acknowledge that we are on a continuous journey and have devoted considerable effort in the preparation of our inaugural statement to assess the risk of modern slavery in our current operation and supply chain. We expect that over the course of FY25 we will develop a plan aimed at enhancing our policies and processes across the group and ultimately strengthening our approach to managing modern slavery risks.

## Annexure 1 Overview of mandatory reporting criteria

This Statement was prepared to meet the mandatory reporting criteria set out under the Modern Slavery Act. The table below provides reference pages for the relevant disclosures of each criterion in this Statement.

| Modern Slavery Act mandatory criteria |  | References in Statement (Page #) |
|---------------------------------------|--|----------------------------------|
| Mandatory Criteria 1                  | Identify the reporting entity  | 1, 3                             |
| Mandatory Criteria 2                  | Describe the reporting entity's structure, operations and supply chains  | 3,4                              |
| Mandatory Criteria 3                  | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls                              | 4,5,6                            |
| Mandatory Criteria 4                  | Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes | 6,7,8                            |
| Mandatory Criteria 5                  | Describe how the reporting entity assesses the effectiveness of these actions  | 8                                |
| Mandatory Criteria 6                  | Describe the process of consultation with any entities the reporting entity owns or controls   | 8                                |
| Mandatory Criteria 7                  | Provide any other relevant information   | 8,9                              |