

Labour, Ethics, Environmental and Modern Slavery Due Diligence Guide

Approved by the Board with effect 3 April 2025

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1. Purpose

This Guideline should be used to inform the decision-making process prior to the selection of a third party whether it be at the tender evaluation stage, the onboarding of a new supplier, regular reassessment an ongoing supplier, or the assessment of an investment opportunity.

2. Background

Kingsland Minerals Ltd is committed to human rights and seek to gain greater transparency in relation to the actions and assessments undertaken to identify and mitigate the risk of modern slavery and human trafficking occurring in its business operations and relevant supply chains.

In addition to this, key regions have regulatory or legislative requirements on businesses to conduct due diligence of modern slavery risks in their operations and supply chain, such as:

- The U.K. Modern Slavery Act 2015, that took effect on 26 March 2015, requiring companies with operations in the U.K. and a consolidated revenue of GBP 36 million.
- The U.S. Uyghur Human Rights Policy Act of 2020, which imposes sanctions on foreign individuals and entities responsible for human rights abuses in China's Xinjiang Uyghur Autonomous region and requires various reports on the topic.
- The Australian Modern Slavery Act 2018, requiring companies with annual consolidated revenues of at least AUD 100 million to annually report to the Modern Slavery Statements Register.

The table below provides a high-level summary identifying the four modern slavery risk factors¹:

Four Main Labour and Modern Slavery Risk Factors

Vulnerable populations	Migrant workers, base-skilled workers.
Business models structured around high risk work practices	Outsourcing, third party contractors, labour hire companies, instances in which

¹ <https://assets.kpmg/content/dam/kpmg/au/pdf/2019/modern-slavery-guide-for-companies-investors-feb-2019.pdf>

	workers are charged high fees that could result in debt-bondage
High risk product and service categories	Raw materials, services procurement (building services, cleaning, maintenance, IT), Branded or unbranded company goods (e.g. promotional goods or corporate clothing), travel and accommodation, security and maintenance, waste disposal, manufacture of hardware and software.
High risk geographies	Modern slavery can and does occur in all countries. All regions should be considered a risk. However, some present as even higher risk due to conflict, high instances of bribery and corruption, absence of law, or regions under governments that are unable to or do not fulfill their duties to protect human rights

In conducting the desktop searches below, keep in mind the following red flags that can indicate a risk of modern slavery:

- workers being required to pay fees or costs for recruitment including travel costs, and visa processing costs;
- employers withholding worker identity documents such as work permits, visas, or passports;
- poor working conditions;
- prison workers or workers in government camps;
- workers being required to work to pay off debts owing to their employer;
- employers not providing written contracts of employment to workers.

3. Process & Degree of Due Diligence

Preliminary Due Diligence

This is the equivalent of a “desktop due diligence” which can be done by anyone seeking to assess a third party for modern slavery risk in the early stages of scoping out whether or not to:

- onboard a new supplier where it is expected to result in an annual overall payment in excess of a reasonable figure for the specific business;
- continue with an existing supplier at contract renewal point;
- progress particular bidders in the tender evaluation process; or
- progress investment opportunities.

Follow the steps outlined in the Preliminary Due Diligence section below.

Detailed Due Diligence

If the Preliminary Due Diligence assigns the third-party a risk rating of Medium or High, then detailed due diligence may be required.

Detailed due diligence involves requesting the third-party to respond the questionnaire in Appendix 1 of this document. On return of the questionnaire, Kingsland Minerals Ltd will make a final risk rating on the third-party and a decision on progression.

4. Preliminary Due Diligence

Initial Modern Slavery Desktop Due Diligence

Completed for:

Date:

Overall Risk Assessment:

Comment:

Step 1: Has the third party published any of the following material on its website?
 [YES or NO]

Policy/Material	[YES/NO and If Yes, Reference Document and Saved Location]
A human rights policy / modern slavery policy	
A supplier code of conduct / supplier charter with references to minimum requirements relating to human rights/modern slavery	
An ESG or CSR commitment, for example, through a code of conduct or an ESG/CSR report	
A Modern Slavery Act Statement or other equivalent statement or report, including sustainability reporting, (if applicable to the jurisdiction of operation)	

Step 2: Does a desktop search of the combination of terms below yield any negative results? [YES or NO] (Bearing in mind the red flags for labour freedom of association and modern slavery):

i.e. Conduct the following search: “[third party name]” + “[the following search terms]”

- human right* -
- forced labour or labor
- child labour or labor
- bonded labour or labor
- breaches
- death
- explosion
- SEC investigation / violation

- litigation
- slave*
- traffick*
- debt bondage
- servitude
- exploitation
- conflict minerals
- cobalt
- Uighur / Uyghur
- Health and safety executive (HSE)
- ASIC investigation
- SEC investigation

Response

Step 3: Does the third party produce any goods or services, or operate in, any of the high-risk countries listed below? [YES or NO]

Source:

Afghanistan	Egypt, Arab Rep.	Lesotho	Saudi Arabia
Albania	El Salvador	Liberia	Sierra Leone
American Samoa	Equatorial Guinea	Libya	Somalia
Angola	Eritrea	Macedonia, FYR	South Africa
Anguilla	Ethiopia	Madagascar	South Sudan
Antigua and Barbuda	Gabon	Malawi	Sri Lanka
Armenia	The Gambia	Maldives	Sudan
Azerbaijan	Ghana	Mali	Swaziland (Eswatini)
Bangladesh	Guatemala	Mauritania	Syrian Arab Republic
Bermuda	Guinea	Mexico	Tajikistan
Bosnia & Herzegovina	Guinea-Bissau	Moldova	Tanzania
Burkina Faso	Guyana	Morocco	Thailand
Burundi	Haiti	Mozambique	Timor-Leste
Cameroon	Honduras	Myanmar	Togo
Central African Republic	India	Nepal	Turkey
Chad	Indonesia	Nicaragua	Turkmenistan
China	Iran, Islamic Rep.	Niger	Uganda
Colombia	Iraq	Nigeria	Ukraine
Comoros	Jordan	Pakistan	Uzbekistan
Congo, Dem. Rep.	Kazakhstan	Papua New Guinea	Venezuela, RB
Congo, Rep.	Kenya	Paraguay	Vietnam
Cook Islands	Korea, Dem. Rep.	Peru	West Bank and Gaza
Côte d'Ivoire	Kosovo	Philippines	Yemen, Rep.
Cuba	Kuwait	Réunion	Zambia
Djibouti	Kyrgyz Republic	Russian Federation	Zimbabwe
Dominican Republic	Lao PDR	Rwanda	
Ecuador	Lebanon	São Tomé & Príncipe	

Step 4: Does the third party produce any goods or services, or operate in, any of the high-risk industries listed below? [YES or NO]

Financial Services
Property/Construction
Food & Beverage
Agriculture
Healthcare

Step 5: Summary Matrix: Upon completion of the steps above, insert the YES or NO responses to Steps 1, 2, 3 & 4 into the matrix below to determine the modern slavery risk profile and process of escalation.

	Step 1	Step 2	Step 3	Step 4
Preliminary risk profile	Human Rights and related Policy Check	Desktop Search Check	High Risk Region Check	High Risk Industry Check
Low	YES	NO	NO	NO
Medium	YES	NO	NO	YES
	YES	YES	NO	NO
	NO	NO	NO	NO
	NO	NO	NO	YES
	NO	NO	YES	NO
	NO	YES	NO	NO
	YES	NO	YES	YES
	YES	NO	YES	NO
	YES	YES	NO	YES
High	NO	YES	YES	NO
	NO	YES	NO	YES
	YES	YES	YES	NO
	NO	NO	YES	YES
	YES	YES	YES	YES
	NO	YES	YES	YES

Step 6: Reporting and Next Steps:

Results from the above analysis should be recorded by the company.

In applying the above risk matrix, if the third party receives:

- a **low** preliminary risk profile, then the third party can be progressed in the decision-making process.
- a **medium** or **high** preliminary risk profile, the person who conducted the assessment should:

- document the preliminary risk report using the template above, recording details of red flags, etc
- gather all relevant material collated from sources; and
- conduct Detailed Due Diligence (outlined in the next section)
- Once information gathering in the detailed due diligence process is complete, determine a final risk rating and raise to the Risk Committee
- The Risk Committee should consider whether the third party should be discontinued or progressed.

5. Detailed Due Diligence

Provide the appropriate person within the third-party organisation a copy of the questionnaire in **Appendix 1** and the FAQs in **Appendix 2**, and request that it be completed and submitted within a specified timeframe.

Once all the information is received, determine a risk rating based on the questionnaire responses. The Risk Committee should then consider whether the third party should be discontinued or progressed.