



Annual Report on Forced and Child Labour in Supply Chains

For the year ended December 31, 2023

May 7, 2024

ANNUAL REPORT ON FORCED AND CHILD LABOUR IN SUPPLY CHAINS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2023

This annual report on forced and child labour in supply chains (“**Report**”) has been prepared by New Gold Inc. (“**New Gold**” or the “**Company**”) in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Modern Slavery Act**”) and is available on Public Safety Canada’s website at www.publicsafety.gc.ca and New Gold’s website at <https://newgold.com/about/governance/default.aspx>. All information in this Report is as at December 31, 2023 and all amounts are in Canadian dollars, unless otherwise indicated.

ABOUT NEW GOLD

New Gold Inc. is an intermediate gold mining company engaged in the development and operation of mineral properties. The assets of the Company are comprised of the Rainy River gold mine in Ontario, Canada (the “**Rainy River Mine**”) and the New Afton copper-gold mine in British Columbia, Canada (the “**New Afton Mine**”). New Gold’s vision is to build a leading diversified intermediate gold company based in Canada that is committed to the environment and social responsibility. For further information on the Company, visit www.newgold.com.

New Gold was first incorporated on January 31, 1980 as DRC Resources Corporation under the Company Act (British Columbia) and was transitioned on May 10, 2005 under the Business Corporations Act (British Columbia). On June 1, 2005, the Company changed its name to New Gold Inc. The registered office of the Company is Suite 1600, 925 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3L2 and its head office is at Suite 3320, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3. New Gold is a publicly traded company listed on the Toronto Stock Exchange and the NYSE American under the trading symbol “NGD”.

New Gold’s Board of Directors (the “**Board**”) is responsible for the overall governance, stewardship and conduct of the Company’s business. Under the leadership of New Gold’s President and Chief Executive Officer, Patrick Godin, the Company’s day-to-day business and operations are directed by its diverse management team who, together with the involvement of the Board, develops the overall strategic direction of the Company and implements its operating plans. Each of the Rainy River Mine and New Afton Mine have a General Manager who manages the various teams running the mining operations and are responsible for preparing and implementing operational plans and budget, among other things.

New Gold currently has 100% interest in the Rainy River Mine and in the New Afton Mine, which are both owned directly by New Gold Inc. The Company also holds a 100% interest in the Cerro San Pedro gold-silver mine in San Luis Potosí, Mexico (the “**Cerro San Pedro Mine**”), which concluded active mining in 2016 and transitioned to the post-closure phase at the beginning of 2024, which it owns through its subsidiary Minera San Xavier de S.A. The Rainy River Mine and New Afton Mine are described in greater detail in the “Mineral Properties” section of New Gold’s annual information form for the year ended December 31, 2023 available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov.

New Gold is a signatory to the United Nation Global Compact and seeks to observe the United Nation’s Guiding Principles for Business and Human Rights. The Company maintains the following memberships: Mining Association of Canada; Ontario Mining Association; Mining Association of British Columbia; International Women in Mining; Women in Mining Canada; Canadian Dam Association; International Network for Acid Prevention; Canadian Industry Partnership for Energy Conservation; Canadian Mining Innovation Council; First Nation Major Project Coalition Sustaining Partner; and Mining Safety Round Table.

OUR LOCATIONS



New Afton Mine ●●

Status: Production
Location: Canada – 10km west of Kamloops, British Columbia
Indigenous lands: Located on Stk'emlúpsəmc te Secwépəmc territory, within the unceded traditional lands of the Secwépəmc Nation
Commercial production: Began July 2012
Ore: Gold and copper
Mining type: Underground block caving
Life of Mine: 2030 (projected)



Rainy River Mine ●●●

Status: Production
Location: Canada – 65km northwest of Fort Frances, Ontario
Indigenous lands: Located on the traditional lands of Treaty 3 Anishinaabe Communities in Northwestern Ontario.
Commercial production: Began October 2017
Ore: Gold and silver
Mining type: Open pit and underground
Life of Mine: 2031 (projected)



Cerro San Pedro Mine

Status: Transitioned to reclamation in December 2018
Location: Mexico – 20km northeast of San Luis Potosi in the municipality of Cerro de San Pedro
Commercial production: Concluded active mining in 2016



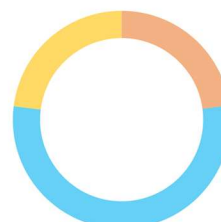
Corporate Head Office

Location: Canada – Toronto, Ontario
Indigenous lands: Located on Treaty 13 of the Mississaugas of the New Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many diverse First Nations, Inuit and Métis peoples.

As at December 31, 2023, the Company had the following employees whose ages range from 18 to 73 years of age:

Location	Employees
Corporate Office	48
Rainy River Mine	821
New Afton Mine	668
Cerro San Pedro Mine	5
Total	1,542

Employee Age Range



■ 18 - 30 years old ■ 31 - 49 years old ■ 50+ years old

PROCUREMENT AT NEW GOLD

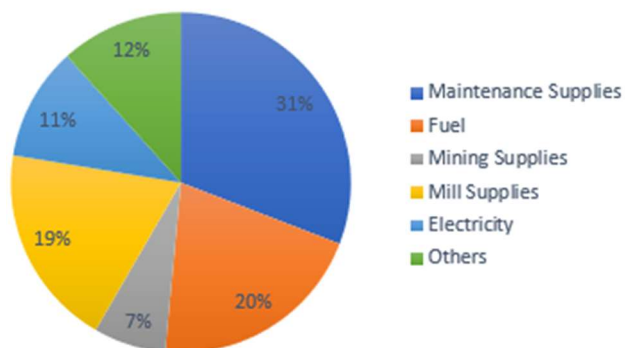
New Gold’s principal products are gold and copper produced from its Rainy River Mine and New Afton Mine. New Gold’s supply chain provides goods and services contributing to the production of gold and copper at these locations. This includes procurement of mining equipment, such as trucks, drills and milling equipment; mining consumables, such as fuel, chemicals, explosives and grinding media; personal protective equipment (“PPE”), such as hard hats, eye and face protection, footwear, gloves and ear protection; as well as mining and engineering service providers. It also involves procurement of refining services to further refine the gold doré produced at the Rainy River Mine. The refined gold is sold to bullion banks, refineries or gold trading counterparties. The New Afton Mine produces copper concentrate, which is sold to smelters or concentrate marketing firms. The Company also procures a range of goods and services required to operate the administrative aspect of the business, both at its mine sites and New Gold’s corporate office.

The procurement teams at each of New Gold’s operations report to the General Manager of the respective operation. At a corporate level, the procurement teams at the operations are also overseen by the Director, Maintenance and Asset Management, who reports to the Company’s Executive Vice President and Chief Operating Officer.

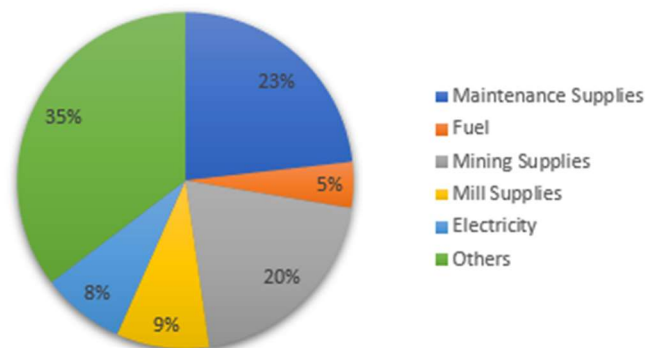


The Company procured approximately \$739 million worth of goods and services in 2023. 87% were provided by Canadian suppliers, 11.5% were provided by U.S. suppliers and 1.5% were procured internationally, principally from European Union countries, Australia and Mexico.

Rainy River Consumables



New Afton Consumables



RISKS OF FORCED AND CHILD LABOUR IN THE COMPANY’S OPERATIONS AND SUPPLY CHAIN

Operations

New Gold is not aware of any forced or child labour (“**Modern Slavery**”) in its operations and considers that its operational Modern Slavery risk is low in respect of its Canadian and Mexican operations. Across the organization, New Gold does not employ anyone below the age of 18 and all employees are paid above minimum wage.

Canada

Out of 160 countries, Canada is ranked 17th lowest in terms of prevalence of Modern Slavery by the Global Slavery Index produced by Walk Free ([Global Slavery Index | Walk Free](#)), an international human rights group focused on the eradication of Modern Slavery. Coupled with low jurisdictional risk, New Gold maintains stringent employment practices consistent with Canadian laws, which helps eliminate the risk of Modern Slavery within its Canadian operations.

Mexico

Notwithstanding Mexico’s ranking of 64th on the Global Slavery Index, New Gold also considers that its operational Modern Slavery risk remains low in respect of its Mexican operation. At its Cerro San Pedro mine site in Mexico, New Gold also complies with applicable Mexican laws and with the mine having transitioned to post-closure activities and only having five employees as of December 31, 2023, there is minimal risk of Modern Slavery at its Mexican operations.

Supply Chain

New Gold is not aware of any Modern Slavery in its supply chain and considers that its supply chain Modern Slavery risk is low. Through conducting its own research into the prevalence of Modern Slavery around the world and into which general areas of a supply chain there can be a greater potential risk of Modern Slavery occurring, and then relating such research to the Company’s operation, the Company has identified the following procurement categories as hypothetically carrying greater risks of the potential for New Gold to cause, contribute or be linked to Modern Slavery. New Gold assesses and manages the following hypothetical risks by putting a number of corporate policies in place, assigning responsibility and ensuring proper governance and undertaking a number of due diligence efforts when working with third parties.

Transportation and Logistics

New Gold transports its products via road, rail and ocean freight. With respect to the Rainy River Mine, the Company uses the services of Canadian refiners to refine gold doré and transports the gold doré to refiners in Ontario via the road. The refined gold is sold to bullion banks or gold trading counterparties at market prices. The New Afton Mine produces copper concentrate, which is sold to smelters or concentrate marketing firms, and its concentrate is transported via a combination of road, rail and ocean freight. New Gold engages shipbrokers to charter vessels for shipping concentrates in bulk. Whilst New Gold follows a shipping vessel vetting process prior to chartering its concentrates using these vessels, New Gold has limited visibility in relation to the vessels' employment practices and working conditions. The shipping industry creates challenges for regulators to provide complete oversight of a shipping company's practices. Some of the risks include wage issues and sub-standard living conditions. Notwithstanding these risks, New Gold is not aware of any specific instances of Modern Slavery in its transportation and logistics supply chains.

Overseas Manufacturing and Fabrication

New Gold procured approximately \$739 million worth of goods and services in 2023, with 98.5% of goods and services provided by Canadian and U.S. suppliers and 1.5% being procured internationally, principally from European Union countries, Australia and Mexico. Even though New Gold primarily engages North American suppliers, New Gold recognizes that there is a high possibility that these products are manufactured overseas or the supply chains for these products include components manufactured overseas and achieving complete visibility across all vendor supply chains remains challenging. This may include manufacturing in countries and in factories that may use migrant or low-skilled labour and/or engage contracted labour which are susceptible to poor working conditions. Notwithstanding these risks, New Gold is not aware of any specific instances of Modern Slavery in its procurement related to overseas manufacturing and fabrication.

Electronics and Electrical Equipment

New Gold procures its computers and mobile phones from Canadian and U.S. based companies but appreciates that often the raw materials used in production are sourced from overseas, in locations where Modern Slavery is a serious issue. As identified by the Global Slavery Index for Canada and Mexico, laptops, computers and mobile phones are all products at risk of Modern Slavery. The Global Slavery Index estimates that Canada imports US\$11 billion dollars' worth of electronics at-risk of Modern Slavery and that Mexico imports US\$5.7 billion dollars' worth of electronics at-risk of Modern Slavery. Some of these overseas locations (in particular China and Malaysia) are susceptible to Modern Slavery due to minimal governmental regulation and oversight, exploitation of workers and a general lack of support for workers to raise grievances. Notwithstanding these risks, New Gold is not aware of any specific instances of Modern Slavery related to its procurement of electronics and electrical equipment.

Facilities Management

New Golds' facilities management, which includes accommodation, cleaning, security and food supply, is a fundamental service at its operations and, to a lesser extent, its corporate office, and it acknowledges that facilities management carries a higher risk of Modern Slavery due to the potentially high number of seasonal or migrant workers, low skills criteria and low pay as well as due to the fact that tasks associated with the industry are often undertaken in an environment that is not openly visible (for example cleaning and security which are often undertaken outside of core business hours). Without adequate contractual arrangements and due diligence, there is a risk New Gold could potentially be linked to Modern Slavery practices through its engagement of suppliers in this sector. Notwithstanding these risks, New Gold is not aware of any specific instances of Modern Slavery in its facilities management supply chains.

Construction and Third Party Contractors

In building and developing its mines, New Gold is involved with construction related works and often engages contractors who procure their own goods and equipment and engage subcontractors. The Company understands that this type of work carries an increased risk to Modern Slavery practices due to long supply chains and low-skilled, low paid, manual work and supply of raw materials from overseas as well as the Company having reduced control over the aspects of the operations that are the responsibility of a contractor. Where New Gold does not have a direct contractual relationship with a third party or upon a failure of a contractor to perform in accordance with the terms of the contract, including failure to comply with applicable legal and regulatory requirements, there is a risk New Gold could potentially be linked to Modern Slavery practices. Notwithstanding these risks, New Gold is not aware of any specific instances of Modern Slavery relating to its construction-related work or the third party contractors.

STEPS NEW GOLD IS TAKING TO PREVENT AND REDUCE THE RISK THAT FORCED OR CHILD LABOUR IS USED

During 2023, New Gold took the following actions to prevent and reduce the risk of both forced and child labour, which applied broadly across the organization unless otherwise noted below.

Due Diligence and Contractual Protections in New Gold's Procurement Process

New Gold performs due diligence on potential new suppliers to ascertain its business reputation, prior performance, risk and financial standing. As part of this process, vendors must comply with the Company's Anti-Bribery and Anti-Corruption Policy and Procedures.

In 2023, New Gold revised its Anti-Bribery and Anti-Corruption Procedures Manual to add practices to prevent and reduce the risk of forced and child labour in its supply chains, which are now renamed as the Anti-Bribery, Anti-Corruption and Anti-Modern Slavery Procedures Manual (the "**Procedures**"). Additions to the Procedures included:

- **Due diligence questions:** Added questions to the external contractor diligence forms for new vendors relating to: (i) forced and child labour in the external contractor's supply chains; and (ii) where the source location of the external contractor's goods is. The contractor forms are required to be completed whenever onboarding a new external contractor or re-engaging an existing external contractor.
- **Red flags:** Added consideration for red flags for forced and child labour to the Procedures in addition to those for corruption and bribery to guide New Gold's procurement team in their due diligence of new vendors.
- **Contract terms:** Included new contract terms addressing forced and child labour in all of the Company's contract templates requiring contractors to, at a minimum: (i) comply with all applicable laws prohibiting the use of Modern Slavery; (ii) not knowingly use or source any goods or materials made using Modern Slavery; and (iii) take adequate measures to prevent and remediate the risk of Modern Slavery occurring within the supply chains used to perform the respective contract.

New Gold's procurement teams and corporate legal team work together in assessing and communicating the results of due diligence investigations into external contractors. By establishing a uniform procedure and asking targeted questions, the Company aims to better identify, assess and mitigate the risk that forced or child labour is being used in its supply chains.

Employee Training

Following the enactment of the Modern Slavery Act and revisions to the Procedures and contract templates, New Gold's legal team developed and led an offsite half-day training session for New Gold's corporate and site procurement team leaders to discuss the Modern Slavery Act and risks of both child and forced labour as well as introduce the new Procedures and their implementation in the procurement due diligence process. A copy of the training has been made available for future reference.

The Company also included information on the Modern Slavery Act and New Gold's response in its annual Code of Business Conduct and Ethics (the "**Code of Conduct**") training program in 2023. The Code of Conduct compliance training is mandatory for all New Gold employees and its directors, and each individual is required to certify compliance annually. The Code of Conduct training offers an interactive e-learning platform which provides participants the opportunity to follow along with different potential real-life scenarios, identify how they would respond to the different scenarios and receive feedback on their responses, as well as informs and educates participants on a number of New Gold's corporate governance documents, including the Human Rights Policy.

Governance: Changes to Governance Policies and Oversight

To address the Modern Slavery Act and prevent and reduce the risk of forced or child labour in New Gold's supply chains, New Gold took two important steps from a governance perspective in 2023:

- New Gold's Board amended the charter of the Technical and Sustainability Committee (the "**T&S Committee**") to include responsibility for oversight of human rights activities, including as it relates to forced, prison and child labour, and its review and approval of this Report.
- New Gold amended its Human Rights Policy to expand on the Company's commitment relating to prohibiting Modern Slavery. The Human Rights Policy is overseen by the T&S Committee and applies equally across the organization and to all parts of its activities and supply chains.

These measures were made as part of a broader governance structure for responsible business conduct made up of Board and management oversight and governance policies. New Gold believes the changes to the governance structure to address the prevention and reduction of forced and child labour are effective in achieving their objective.

Aspects of New Gold's broader governance structure and policies applicable to this area include:

- **Board Mandate**: The Board Mandate outlines, among other things, the purpose and authority, procedures, organization, duties and responsibilities, composition, obligations and legal requirements as it relates to the Board's overall stewardship of the conduct of the business of the Company.
- **Board Committee Charters**: Each committee has a charter that outlines, among other things, the purpose, composition, procedures, duties and responsibilities of the applicable committee of the Board as it relates to assisting the Board in fulfilling its oversight responsibilities with respect to:
 - major technical and operational matters and the Company's sustainability strategy and objectives;
 - human capital, human resources and compensation matters;
 - corporate governance matters; and
 - accounting, auditing, financial reporting and internal control processes, respectively.

- **The Code of Conduct:** The Code of Conduct is the primary document which sets the overall structure on which the Company describes the conduct expected of all directors, officers and employees of New Gold, together with any third party working or acting on its behalf. The Code of Conduct explains how New Gold translates its values into everyday activities and how that should help employees in making the right decision every time, all the time.
- **The Whistleblower Policy:** The Whistleblower Policy sets out employee obligations to report any violations of laws, rules or regulations related to accounting standards and financial reporting, any significant threat or risk to the health and safety, and any failures to follow the Code. It also explains who employees can contact, how to reach them and how employees can report anonymously.
- **The Human Rights Policy:** The Human Rights Policy outlines New Gold's commitment to integrating human rights best practices into its business operations and decision-making process. This policy sets out New Gold's commitments relating to human rights and provides details for asking questions and reporting concerns and possible violations of the policy.
- **The Sustainability and Safety Policy:** The Sustainability and Safety Policy sets out the key goals in relation to health, safety and sustainability. New Gold is committed to avoiding harm to workers, the environment and the public by taking on the highest international standards to guide our systems and processes.
- **Anti-Bribery and Anti-Corruption Policy:** The Anti-Bribery and Anti-Corruption Policy embodies the Company's commitment to avoiding fraud and corruption in all of its forms and compliance with Canada's *Corruption of Foreign Public Officials Act*, the U.S. *Foreign Corrupt Practices Act* and other applicable anti-bribery and anti-corruption laws.
- **Procurement Policy:** The Procurement Policy sets out the procurement and inventory management procedures for sourcing, acquiring, shipping and storing goods and services, as applicable, as well as helps to ensure the Company's commitment to accountability, transparency, efficiency and equity in the procurement process.

REMEDIATION RELATING TO FORCED OR CHILD LABOUR

New Gold is not aware of any Modern Slavery in its operations and supply chains. As such, New Gold has not taken any measures to remediate forced or child labour in its activities or supply chain or consequently to remediate the loss of income to the most vulnerable families resulting from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains.

EFFECTIVENESS ASSESSMENT

New Gold believes, when considering the Company's size and nature of its supply chains, as well as the results of its research into the risks and prevalence of Modern Slavery, that the actions it has taken to address the risk of forced and child labour in its supply chains will be effective in addressing the Company's possible risk of forced and child labour in its supply chains. As we continue to evaluate our compliance measures in place that are designed to prevent and reduce the risk of Modern Slavery, we intend to consider implementing measures, where appropriate, to assess the effectiveness of any of our processes.

REPORTING CONCERNS

At New Gold, it is important to report concerns about activities that may be harmful to the Company, its employees or community members, and the Company encourages reporting concerns freely, with confidence that retaliation is never tolerated. Should an individual be alerted to a situation that could result in actions that might violate federal, state, or local laws or the standards of conduct set forth in New Gold's Code of Conduct or if an individual believes their own conduct or that of an employee, director or officer may have violated any such laws or the Code of Conduct, such individual should report the matter in accordance with the Code of Conduct and/or the Whistleblower Policy.

Concerns may be reported to New Gold's site teams through the community feedback mechanisms provided on New Gold's website. Concerns may also be reported anonymously through the Company's whistleblower hotline and in accordance with the Company's Whistleblower Policy. An individual does not have to reveal their identity in order to make a report. Any individual who reveals their identity will not have it disclosed by the Chair of the Audit Committee unless disclosure is required to complete an appropriate investigation. The hotlines for making a whistleblower complaint are as follows:

Hotline toll free numbers:

Canada and United States: (833) 627-1041
Mexico: 001-800-613-2737

Hotline online portal: <https://newgold.ethicspoint.com>

ATTESTATION

This Report was approved by the Board of New Gold Inc. on **[April 30, 2024]** pursuant to section 11(4)(a) of the Act.

In accordance with the requirements of the Modern Slavery Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Modern Slavery Act, for the reporting year listed above.

Dated this 7th day of May, 2024



Patrick Godin
Director, President and Chief Executive Officer

I have the authority to bind New Gold Inc.