



2023 Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Serabi Gold plc

10 July 2024

1. 2023 Report Introduction

This Report addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada) (the “Act”). This Report is made on behalf of Serabi Gold plc and its subsidiaries (“Serabi” or the “Company” or the “Group”).

Forced labour and child labour, as outlined in the Act, constitute serious crimes and violations of fundamental human rights. As an established gold production and development company, with its shares listed on the stock exchanges operated by AIM in the United Kingdom and the TSX in Canada, Serabi acknowledges its responsibility in ensuring that its activities and the associated supply chains uphold the highest ethical standards. This includes the prevention and detection of forced labour and child labour within our supply chain. This report details the measures undertaken throughout fiscal year 2023 to mitigate and prevent the potential utilisation of forced labour or child labour at any stage of our operations.

2. Business structure, activities, and supply chains.

Serabi Gold plc is an established gold production and development company, with its shares listed on the stock exchanges operated by AIM in the United Kingdom and the TSX in Canada. Current gold production is derived from the Company’s mining operations comprising the Palito Complex and the Coringa gold project located in the Tapajos region, in the southwest of the State of Para in northern Brazil. The Company is still in the process of developing the Coringa gold project from which it started to generate gold production in July 2022 although this operation has not yet achieved commercial gold production. The Company directly employs approximately 730 personnel and executives in its operations in Brazil with other executive management based in the UK, Ireland and Canada. As a business incorporated in England and Wales and listed on the stock exchange operated by AIM in the UK the Company also complies with section 54 of the Modern Slavery Act 2015 of the UK.

3. Policies and due diligence processes in relation to forced and child labour.

Serabi has a number of organisational and governance policies that outline how we conduct our business and how we expect our suppliers and business partners to conduct their business.

Serabi will not use or allow the use of forced, compulsory labour, slavery, servitude or human trafficking in the course of its business. This includes sexual exploitation, securing services by force, threats or deception and securing services from children and vulnerable persons.

Serabi operates the following policies which are reviewed regularly and are relevant to the prevention of slavery and human trafficking in its operations:

- *Code of Ethics and Conduct* – this code sets out the Company’s vision, mission and values and reinforces that the Company does not accept any form of exploitation of adult or child labour and that the Company will not maintain relations with suppliers, entities or institutions that collude with these practices..

- *Serabi social plans* – Serabi is a significant employer in the region and provides a number of initiatives each year to support and improve the conditions of local communities, through inter-alia, supporting education, provision of medical and dental facilities, power and water, and general improvement of roads. Further details of community support programmes carried out during 2023 can be found in the Serabi Gold plc Annual Report 2023 which can be found on the Company’s website.
- *Procurement policy* - Serabi’s operations are supported by a supply chain which predominantly comprises goods and services required for the mining, processing and recovery of gold. The Company tries to use local suppliers if possible and appropriate in order to enhance its contribution to socioeconomic welfare in the Tapajos region and the State of Para. The Group currently conducts business with numerous suppliers, with the significant majority of them based in Brazil and cumulatively covering over 90% of the Group’s requirements. The majority of the other suppliers are based in North America and Europe.
- *Employment policy* - Employment terms and conditions for the Company’s employees based at its executive offices of the UK, Ireland and Canada and at its Brazilian mining operations are regulated by and are operated in compliance with all relevant prevailing national and local legislation. Employment terms and conditions provided to staff meet or exceed the national norms. The Group’s mining and processing operations are labour intensive and unionised.
- *Whistle-blowing* – The Company encourages all of its employees to report any concerns related to the activities of the Company. An external company manages the whistleblowing reports on an anonymous basis in the first instance. The Company will ensure that any matter raised under this procedure will be investigated thoroughly, promptly and confidentially, and the outcome of the investigation reported back to the individual who raised the issue. Additionally, the Company will ensure that no one will be victimised for raising a matter under this procedure. The Audit & Risk Committee receives regular reports on whistleblowing and regularly reviews these whistleblowing arrangements to ensure they remain effective and fit for purpose.

4. Activities and supply chains that carry a risk of forced or child labour being used and the steps taken to assess and manage that risk.

Serabi believes that in order to prevent human trafficking and slavery within its business and its supply chain it is necessary to first understand the areas where the Company is most at risk. Although the work conducted at the Company’s mining operations is labour intensive, the Company feels that the unionised workforce and the Company’s adherence to strict employment policies and regular inspection by the Ministry of Labour negate the risk of forced labour and child labour in this operation. As a consequence, the Company feels its supply chain is the area that presents the most risk. As a result of the due diligence process the Company has conducted, systems have been put in place to:

- continue to identify and assess potential risk areas in the Company’s business and supply chains by mapping our supply chains;

- continue to adhere to, and enforce the Company's Code of Ethics and Conduct and the Company's procurement policy including monitoring our suppliers
- continue to adhere to, and enforce the Company's employment policies;
- seek to continue the good relationship built with unions and the Ministry of Labour in Brazil; and
- protect whistle-blowers.

5. Measures taken to remediate forced or child labour and measures taken to remediate the loss of income incurred by the most vulnerable families that results from any measure taken to eliminate the use of forced or child labour from its activities and supply chains.

Serabi has conducted a preliminary assessment of its activities and supply chain and did not identify any incident of forced labour or child labour being used. Therefore, we did not need to take any measures to remediate an incident of forced labour or child labour.

The Company recognises the critical importance of vigilance and continual monitoring to uphold the mitigation of modern slavery risks within our operations and supply chains. We are steadfast in our commitment to routinely review our risk assessments and swiftly implement any required remediation measures should the need arise in the future.

Our Whistleblowing Policy requires all employees of Serabi to report actual or possible misconduct. We also undertake diligence efforts (as further described in this Report) to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we may take one or more of the following measures to remediate such forced labour or child labour:

- Actions to support victims of forced labour or child labour and/or their families such as workforce reintegration and psychosocial support
- Compensation for victims of forced labour or child labour and/or their families
- Actions to prevent forced labour or child labour and associated harms from reoccurring
- Grievance mechanisms

6. Training provided to employees on forced and child labour.

To ensure a high level of understanding of the risks of modern slavery and human trafficking in its supply chains and business, the Company continues to provide the necessary training to all relevant employees.

7. Process for assessing its effectiveness in ensuring that forced and child labour are not being used in its activities and supply chains.

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblowing Policy and other informal mechanisms of employee feedback. To date no significant concerns or complaints have been identified.

Serabi's senior leadership team will review certain key performance indicators of human rights, including forced labour and child labour on an annual basis. Any non-conformances identified will be

dealt with directly by senior management. Support will be provided to suppliers where necessary to resolve any issues raised.

To ensure contractors and those in the Company's supply chain comply with its values and ethics, the Company incorporates into its procurement procedures a requirement for suppliers to positively confirm compliance with the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

In addition efforts are made to confirm that the Company's suppliers are as committed to the prevention of human trafficking and slavery as the Company, and each supplier's conduct is carefully considered when awarding or renewing business.

Reviews of the Company's suppliers and its supply chain profile are conducted annually.

8. Approval & Signature

This Report was approved by Serabi's Board of Directors on [] June 2024 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at www.serabigold.com.

In accordance with the requirements of the 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 Act, for the reporting year listed above.



Michael Hodgson
CEO

10 July 2024

I have the authority to bind Serabi Gold plc