KIMBERLEY
MINERAL SANDS

2024
ESG
Report

Contents

About this Report ▼

This Environmental, Social, and Governance (ESG) report for Kimberley Mineral Sands is developed to provide stakeholders with an overview of how we have approached and managed our ESG risks and opportunities. This report includes a consolidation of the ESG topics deemed material to the Company as defined by compliance requirements and stakeholder engagement.

The boundary for this report covers KMS's operational activities of developing, operating, and maintaining the Project (Organisational Boundary). The reporting period for this report is the period from 1 April 2024 to 31 March 2025 (Reporting Period).

Foreword

I am pleased to present Kimberley Mineral Sands' 2024 ESG Report.

In 2024/25 the Thunderbird Mineral Sands Project moved beyond commissioning into steady-state operations, marking the next phase of our fledgling mine's life.

Since our first bulk exports in March 2024, our attention has turned to stabilising operations and introducing business optimisation projects to drive efficiency, increase productivity and maximise output, all the while maintaining our strong focus on safety, and protecting cultural heritage and the environment.

These efforts have taken place against a backdrop of challenging business conditions, primarily due to low commodity prices driven by the weakened Chinese property market and broader economic slowdown. Despite these headwinds, we remain determined to strengthen the business, improving efficiency and production as we position Thunderbird for long-term sustainability.

A key highlight of the year was achieving an impressive Restricted Work Injury Frequency Rate (RWIFR) of zero in December, demonstrating our commitment and the ongoing efforts of our workforce and contractors to make safety our number one priority at all times.

In this report, we highlight the progress of our quadruple bottom line approach, which remains central to our operations. This means we continue to do all that we can to minimise our environmental footprint in the Kimberley; uphold our commitment to recognising and protecting Aboriginal cultural heritage; retain and develop our diverse and locally based workforce; and support local and Aboriginal businesses.

I am proud to lead the diverse, values-based, and highly experienced team that we have created at Thunderbird, and look forward to creating prosperity in the Kimberley and beyond.

Chief Operating Officer
Michael Rose

ENVIRONMENT

SOCIAL

GOVERNANCE

About

Kimberley Mineral Sands

Formed in January 2021, Kimberley Mineral Sands ('KMS' or the 'Company') is a 50:50 Joint Venture between Sheffield Resources Ltd (ASX:SFX) and YGH Australia Investment Pty Ltd (Yansteel) for the development of the Thunderbird Mineral Sands Project ('Thunderbird'), located on the Dampier Peninsula, midway between Broome and Derby.

Sheffield Resources is an ASX listed company that is focused on assembling a portfolio of global minerals sands development and production assets to generate cash returns and growth. SFX's core asset is its 50% investment in the Thunderbird Mineral Sands Project.

Yansteel is a subsidiary of Chinese-owned YanGang (Hong Kong) Co., Limited, which is a wholly owned subsidiary of Tangshan Yanshen Iron & Steel Co., Ltd (Tangshan), a privately owned steel manufacturer headquartered in Hebei, China. Tangshan produces approximately 10Mt per annum of steel products.

Projected Economic Benefits

$750 million	$2 billion
Estimated spend with local businesses in first 20 years of operations.	Estimated uplift to Gross Domestic Product in first 20 years of operations.
~300 jobs	**36+ years**
Creation of ~300 direct jobs, with ambitious local and Aboriginal employment and business targets.	Long-term project lifespan, inter-generational employment and business opportunities.

Source: Bankable Feasibility Study

Figure 1 - Project Location

The Thunderbird Mineral Sands Project

Figure 1 shows the location of Thunderbird, midway between Broome and Derby in the Kimberley region of Western Australia. Thunderbird is one of the largest zircon mineral sands deposits in the world.

The mine is situated within the Joombarn-buru Native title determination area on the Mount Jowlaenga and Yeeda pastoral leases and spans both the Shire of Derby-West Kimberley and Shire of Broome local government areas.

Thunderbird contains valuable heavy minerals including ilmenite, zircon and leucoxene, which are extracted and exported via the Port of Broome.

Vision & Values

From inception, our overarching goal at Kimberley Mineral Sands has been to create a business that supports **"Building Prosperity in the Kimberley – and beyond."**

At the heart of this vision are **Safety**, **Sustainability** and **Community** – words we stand by in our daily work, and which are fundamental to who we are.

Our ability to achieve this vision is driven by our core values – **Co-creation**, **humility**, **accountability**, **integrity** and **inclusivity** – which influence every aspect of our work. These principles guide our everyday decisions and actions.

Figure 2 - KMS Values

ESG Reporting

KMS's ESG reporting approach has been developed in line with mining sector best-practice. It incorporates the following global standards and reporting frameworks:

- Global Reporting Initiative (GRI)
- Taskforce for Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board (SASB) Mining and Metals Sustainability Accounting Standard.
- United Nations Sustainable Development Goals (SDGs)

Global Reporting Initiative

The GRI standards are the most widely used standards for ESG and sustainability reporting globally. They are used extensively across the mining and metals sector and provide organisations with a set of best practice reporting principles along with defined standards for the reporting of qualitative and quantitative ESG data. KMS's GRI Content Index is attached at Appendix 1.

Taskforce for Climate-related Financial Disclosures

The TCFD was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, investors, and banks to improve and increase reporting of climate-related financial information. Consisting of four core disclosures (Governance, Strategy, Risk, Metrics) and 11 recommended disclosures, the TCFD assist organisations in understanding the type of disclosures required. KMS's response to the TCFD can be found at Appendix 1.

Sustainability Accounting Standards Board

The SASB was founded in 2011 to help businesses and investors develop a common language about the financial impacts of sustainability. Since then, SASB has developed and released standards for 77 industries. These standards identify the sustainability-related risks and opportunities most likely to affect an entity's financials, and the disclosures topics and metrics that are most likely to be useful to investors. KMS's SASB Content Index can be found at Appendix 1.

Sustainable Development Goals

The SDGs are a global initiative for all countries to work towards achieving sustainability. KMS supports the SDGs and has identified four specific goals that align with our current business activities.

Table 1 - KMS Contributions to the Sustainable Development Goals

Sustainable Development Goal	Sustainable Development Goal specific target	Our alignment and contribution
SDG 8 **Decent Work and Economic Growth**	**Target 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	85% of the KMS direct workforce are locally resident in Broome, Derby and surrounding communities, maximising sustainable economic benefits and job opportunities for the local region. A strong focus is also placed on local and Aboriginal business opportunities and capacity building. We are also encouraging growth of local small and Aboriginal businesses through separable tender portions and business development workshops.
SDG 10 **Reduced Inequalities**	**Target 10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies, and action in this regard.	Constructive and open engagement with the Traditional Owners of the lands where KMS operates is pivotal to our ongoing success. We have a strong focus on supporting Traditional Owners employment and businesses. KMS is proud to have more than 20% Aboriginal representation in our combined contractor and direct workforce to date and we are progressing towards our target of 40% Aboriginal participation by year eight of operations.
SDG 13 **Climate Action**	**Target 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	During the reporting period, KMS has undertaken an ASRS gap analysis, climate related risk assessment and developed a climate reporting roadmap to strengthen our resilience and adaptation to climate changes.
SDG 16 **Peace, Justice, and Strong Institutions**	**Target 16.6** Develop effective, accountable, and transparent institutions at all levels.	We have a vision and values framework that ensures that we always operate with the highest levels of *integrity*, transparency, and *accountability*. We recruit based on these values and hold our people accountable to these behaviour standards.

Our Material Topics

Detailed data supporting these material topics of Environment, Social and Governance is accessible in our supporting KMS ESG Databook (provided separately).

Environment

From project inception, we have been acutely aware of the privilege and accompanying responsibilities that arise from operating in one of Australia's most biodiverse environments. We will continue to do all that we can to minimise the environmental impacts of mine operations over its active life and beyond.

Water Resource Management

Water for the mine is extracted via a production borefield at Thunderbird from the Broome Sandstone Aquifer. Whilst Thunderbird has a licence from the Department of Water and Environment Regulation (DWER) to extract up to 13GL of groundwater per year, the water used in the reporting period was below 4GL (roughly 31% of the annual allocation), a figure which is anticipated to remain steady through operations.

Thunderbird has an extensive groundwater monitoring program, which measures both existing water quality and groundwater levels. This enables us to monitor groundwater levels and quality compared to the modelled predictions that our approvals are based on. The results are submitted annually to DWER.

The on-site Environment team undertakes monitoring and sampling with a combination of manual sampling and new technology such as data loggers to measure aquifer levels.

The two-way learning facilitated by the rangers in this process is particularly important on the country around Thunderbird which is home to culturally significant and sensitive areas including soaks.

Photo: Water sampling

> " Minimising environmental impacts is integral to our long-term success "

Environmental Compliance

The KMS Board oversees environmental compliance, guided by Ministerial Statement 1080.

KMS ensures all procedures comply with environmental laws and regulations, including annual reporting of GHG emissions and public availability of environmental plans, reports, and data. We report annually to DWER on aquifer and groundwater abstraction volumes.

Thunderbird Operations has approvals under both the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act) and the Western Australian Environmental Protection Act (EP Act). We work closely with the Department of Mines, Petroleum and Exploration, and the Department of Water and Environmental Regulation on project compliance and licencing.

An interim amendment to the Mining Proposal (MP) and Mine Closure Plan (MCP) for an increase in allocation for waste dump size and area was approved by DEMIRS in July 2024.

During this reporting period, no new breaches were reported against the project's primary approval conditions however, two ongoing non-compliances remain in respect to DWER License L9335/2022/1. The non-compliances were reported against Section E of the DWER Annual Audit Compliance Report.

The first licence condition breach relates to ongoing exceedance of nitrogen and phosphorus concentration limits in wastewater discharges from both Wastewater Treatment Plant 1 and Wastewater Treatment Plant 2. The discharge volumes continue to be well below the licenced production capacity of each facility.

As a result, despite exceeding concentration limits, the total loading limit over the course of the licence period has not been exceeded.

The second breach relates to a diesel spill at the Thunderbird Yajarra Jalbiyi Village in September 2023 which resulted in contaminated soil being deposited into Thunderbird Bioremediation facility, causing an exceedance to the licenced quantity limit.

At the time of reporting, works to remediate the soils were ongoing with results indicating positive reduction in hydrocarbon levels, forecast to be within site suitability limits during Q2 2025.

A reportable waste discharge event occurred in November 2024 following a power outage during which approximately 15.3t of Liquified Natural Gas (LNG) was released to the environment. The incident was reported to DWER and DEMIRS in accordance with the EP Act and the Project's tenement conditions.

The root cause analysis identified faults with the odorant system which has since been replaced. There were no adverse impacts noted to the surrounding environment.
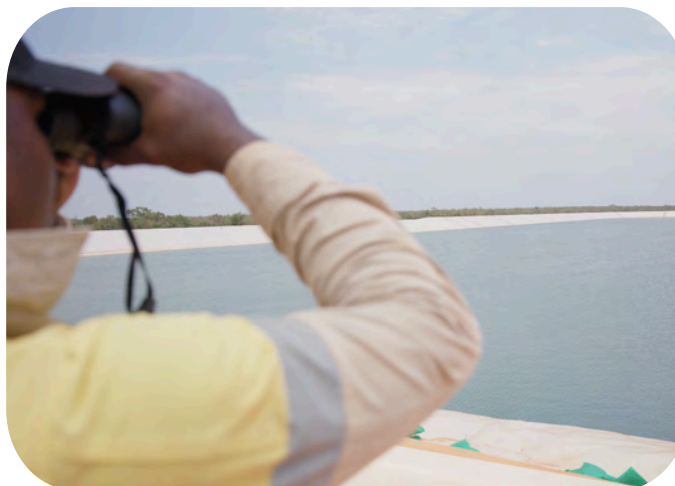

Photo: Daily Stormwater Storage Pond fauna checks

Environmental Compliance cont'd

A non-compliance was also recorded against the Terrestrial Fauna Management Plan (TFEMP), with twenty-two instances of after-hours travel (defined by the TFEMP as between dusk and dawn) recorded. Of these after-hours travel events, eight were reported as procedural incidents for personnel travelling without approval. Stricter management controls have since been put in place to prevent re-occurrence.

The remainder were given approval by the site SSE on the basis of health and safety or for the management of critical infrastructure i.e. gas deliveries for the power station.

This non-compliance was reported in the Compliance Annual Report (CAR) submitted to DWER in October 2024, and an amendment to the management action has been requested, seeking to include 'project critical deliveries' into the definition of 'essential vehicles'.

> " **The Toadinator gives us a humane way to tackle cane toads and help protect native wildlife.** "

Feral Fauna Management

KMS has adopted the Felixer™ feral cat technology at Thunderbird. The Felixer™ is a field-validated, portable and automated tool, involving AI camera sensing to accurately identify feral cat species allowing invasive predators to be controlled without exposing wildlife to traps and toxins.

We have deployed two Felixer™ systems and are running camera trials in preparation for approval to euthanise feral species. Combined with powerful data reporting and analytic capabilities, the Felixer™ is a humane invasive predator animal control platform with unique capabilities.

As the cane toad front progresses across the West Kimberley towards Thunderbird, preparations are being made to ensure we do all we can to slow down the march of this invasive pest.

During the reporting period, a Toadinator trap was deployed on site and an education program is ongoing to ensure staff and contractors are able to accurately identify cane toads from native frogs.

Right Way Fire Management

As a member of the Dampier Peninsula Fire Working Group, we work with surrounding landowners and ranger groups to ensure a strategic approach to burning using the 'Right Way Fire' approach.

This approach has yielded demonstrated positive impacts on fire patterns across the peninsula since the group's inception.

It combines factors including burn frequency, fauna habitat, vegetation age and wildfire severity to develop an overall fire strategy across the peninsula, regardless of land tenure and ownership.

Climate Resiliency & Reporting

With climate reporting mandates for Australian companies having commenced on 1 January 2025, KMS is focused on ensuring that we are prepared to disclose against the Australian Sustainability Reporting Standards (ASRS) and Australian Accounting Standards Board (AASB S2) climate related disclosure standard which is anticipated to be required in FY27.

Figure 3 - KMS Climate Risk Approach

The ASRS gap analysis and Climate Risk Assessment were both completed during the Reporting Period. The gap analysis found KMS has a solid foundation in particular with our established governance structure, Risk Management Standard and up-to-date reporting of Scope 1 and 2 emissions, and identified proposed areas requiring additional work to ready the organisation for compliance.

The climate risk assessment focused on the identification of material climate-related financial risks and opportunities. This report also includes our Taskforce for Climate-related Financial Disclosures (TCFD) outcomes.

Through collaboration with climate consultants and industry partners, a 'Climate Reporting Roadmap' was then developed around the four core pillars of governance, strategy, risk management, and metrics outlined in Australian Accounting Standards Board Standard 2 (AASB S2). This roadmap ensures compliance and enables us to adapt as sustainability reporting evolves.

The first report under Division 3 of Part 2 of the National Greenhouse and Energy Response Reporting Act (NGER), 2007 was submitted to the Clean Energy Regulator (CER) on 30 October 2024.

Emission Type	Amount
Scope 1 (tC02-e)	33,400
Scope 2 (tC02-e)	31
Total (tC02-e)	33,431

Table 1: KMS's emissions profile for the period 1 July 2023 to 30 June 2024 (in line with CER NGER reporting requirements)

Journey Towards Net Zero

The Commonwealth Government's Net Zero Plan will guide Australia's transition to the legislated target of reducing emissions by 43% by 2030 and achieving net zero greenhouse gas emissions by 2050.

KMS is adopting the Science-based Targets Initiative (SBTi), the world's only science-backed framework for corporate net zero target setting. This SBTi provides near-term and long-term emissions reduction targets, validated against the latest climate science.

Our draft Net Zero Strategy is currently under development. Reductions in Scope 1 and 2 emissions will be prioritised through increased operational efficiency, and guided by frameworks from the Clean Energy Finance Corporation (CEFC) and Minerals Research Institute of WA (MRIWA).

The key steps of the draft Net Zero Strategy are outlined in the MRIWA framework below (Figure 4).

Figure 4 - MRIWA framework

Social

Our People

During the reporting period we have maintained our commitment to attracting and retaining a diverse and values-driven West Kimberley based workforce.

As of 31 March 2025, KMS has a direct workforce of 101 comprising 25% female, 32% Aboriginal people and 85% West Kimberley residents.

As a local mining company with our head office in Broome, we are proud to be a significant local employer, with 85% of the direct KMS workforce being local West Kimberley residents. Site-based personnel work an 8 days on / 6 days off or 4 days on / 3 days off roster on a Bus In Bus Out basis from Broome or Derby.

A limited number of specialist roles which cannot be filled locally are employed on a FIFO roster from Perth.

Our commitment to Aboriginal employment, enshrined in the Thunderbird Project Co-existence Agreement, shows very solid results at 32% Aboriginal participation in the direct workforce, exceeding the Coexistence Agreement targets of 10% by Year 2 of Operations, and 20% by Year 4.

Total KMS Workforce - 101 People

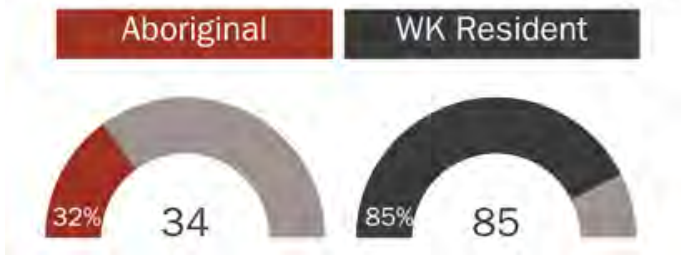| Aboriginal	WK Resident
32% 34	85% 85

Figure 5 - KMS Workforce Figures as at 31 March 2025

One of KMS's People priorities is to drive diversity and fair representation, with a workforce and management team that reflects local demographics.

We are proud to have 25 women in our direct workforce (25%), with 23 employed on a full-time basis, and six in management or executive positions.

Eight management roles are filled by local West Kimberley residents and one by an Aboriginal person.

> **We recognise that our people are the key to our business' success.**

Occupational Health & Safety

Safety is at the heart of everything we do. Backed by our Health, Safety and Wellbeing Policy and dedicated Health and Safety team, it's something we take seriously all day, every day.

After clocking up over a million hours lost time injury (LTI) free during the construction phase of Thunderbird up until October 2023, our Operations team and contractors have kept up this excellent outcome, achieving a Restricted Workplace Injury Frequency Rate of zero in December 2024 which is an outstanding attainment, especially when the industry average sits at 3.4.

A further major milestone was reached in March 2025, as mine operations, which commenced in October 2023, surpassed 1,000,000 hours LTI free. These milestones are not achieved without significant commitment and a proactive approach to safety from everybody on site, backed by a rigorous Mine Safety Management System which is supported by clear policies, plans and procedures.

Injury	Number
Lost Time	0
Medically Treated	2
Restricted Duty	0
First Aid	42
Total Reportable Injury	0
Project Site Hours	1,015,874

Figure 6 - Workforce Injury Statistics

Training

Our training during the reporting period has pivoted to support operational needs and provide our employees with upskilling opportunities, including forklift and Elevated Work Platform operations, snake handling and Verification of Competency for mobile plant.

A particular focus has been placed on emergency response training to ensure our preparedness for any type of emergency, including vertical rescue, breathing apparatus and hazmat training.

During the reporting period, over 18,000 hours of training was undertaken by KMS employees, and over 31,000 hours by contractor staff.

To assist in creating a culturally safe workplace at Thunderbird, and in line with commitments under the Co-existence Agreements, an online cultural awareness program is required to be undertaken by all KMS and contractor staff.

A more in depth half day face-to-face training program has been developed by the Joombarn-buru Aboriginal Corporation, with the first participants recently completing the course and giving feedback that it greatly enhanced their cultural understanding. This training will now be rolled out across the organisation.

> "
> **Safety is
> at the heart of
> everything we do.**
> "

Case Study ⌄

Certificate III in Mine Rescue

This is a comprehensive training program comprising multiple units designed to tackle the diverse challenges encountered within mine site emergencies.

The course includes building competence in critical areas such as emergency response and rescue, risk management, breathing apparatus, fire, road crash, vertical rescue, hazmat, confined space rescue, first aid, and working in a mine site emergency response team, along with other vital skills required in the mining industry.

This nationally recognised qualification will equip the Thunderbird Emergency Response Team (ERT) with theoretical knowledge and the practical skills required to handle emergencies effectively and safely.

During the reporting period, Thunderbird ERT members have taken part in a number of training units towards the Certificate, including breathing apparatus, fire, vertical rescue and confined space rescue.

Photo: Staff undertaking vertical rescue, hazmat and confined space training

Case Study ⌄

Aboriginal Mental Health First Aid Training

As part of our strategy to increase cultural safety at Thunderbird, employees are given the opportunity to attend Aboriginal mental health first aid training.

The culturally appropriate training is designed to give staff increased awareness of mental health issues affecting themselves, family, friends and workmates, as well as a greater perspective and understanding of Aboriginal social and emotional wellbeing.

Photo: Staff and trainers at Aboriginal Mental Health First Aid training

Community

As the West Kimberley's first major onshore resource development, Thunderbird presents a significant opportunity to have a lasting positive impact on the Kimberley through employment, procurement, and partnerships.

This opportunity is formalised through **KMS' Pledge to the Kimberley Community** (Figure 7), which was established early in the project's life and forms the backbone of our community and stakeholder engagement strategy.

| Local jobs, training and business | Aboriginal jobs, training and business | Long-term community relationships | Communication, collaboration and transparency | Responsible mining, environmental and cultural practices |

Figure 7: Pledge to the Kimberley Community

Community Partnerships

In mid 2024, we launched our Community Investment and Partnership Program to support local groups and community events that share and promote our values.

The Program has three streams - events, community grants and partnerships, which provide funding to eligible organisations and associations in the Shires of Broome and Derby/West Kimberley.

13 groups have been supported to date with their community activities, ranging from local events and awards to volunteer initiatives and sporting association sponsorship (Figure 8).

Figure 8: Kimberley organisations supported by the Community Investment and Partnership Program during the reporting period.

Local Business Spend

As a local business ourselves, we are proud to support other businesses in the West Kimberley region with sustainable, long-term opportunities that benefit our community and contribute to a diverse regional economy.

Our procurement processes encourage smaller businesses to participate through initiatives such as separable tender portions and having more than one supplier for a particular good or service, all of which contribute to a more robust and resilient supply chain. Local businesses are encouraged to register their interest in working with us via the Procurement page on our website and our Commercial and Community teams.

From 1 April 2024 to 31 March 2025, 118 local businesses have supplied goods or services to KMS, with a total spend in the West Kimberley region of $58.53 million.

We are especially proud of the levels of engagement with Aboriginal owned contractors and suppliers that we have achieved during the reporting period, with a total spend of $58.50 million, well in excess of the stretch targets of $10 million annually set for Year Eight of operations, as required under the Co-existence Agreement. Of this total, $10.3 million has been spent with Traditional Owner businesses.

Case Study

Kaynar Group Pty Ltd

In early 2024, Broome-based Kaynar Group was awarded a three year contract to maintain all mine roads at Thunderbird, including the 30km Thunderbird Access Road.

Kaynar is a Joombarn-buru Traditional Owner business certified by Supply Nation, with a focus on servicing clients in the mining, civil and automotive industries.

Kaynar Group was also contracted to undertake interim waste mining activities at Thunderbird, and has recently been awarded a further contract for construction of Stage 3A of the Tailings Storage Facility. In addition to the services provided directly to KMS, Kaynar also provides on-site plant and equipment servicing for our primary contractors at Thunderbird.

Photo: Kaynar Group equipment maintaining the Thunderbird Access Road

Aboriginal Business Spend
1 April 2024 - 31 March 2025

Joombarn-buru businesses
$10.3 million

Other Kimberley Aboriginal businesses
$15.72 million

Aboriginal businesses based elsewhere
$32.48 million

Stakeholder Engagement

KMS engages with many diverse stakeholders across different sectors including Traditional Owners, the local community and businesses, regulators and lenders and all levels of government (Figure 9). All our stakeholders play an important role in the ongoing success of the Project's operations and maintaining our social licence to operate.

Our values of **integrity, humility, and accountability** are critical in stakeholder engagement, which we conduct in an honest and transparent manner and following the International Association for Public Participation (IAP2) principles.

This has helped us build strong and positive relationships with our stakeholders, underpinned by our core values and a commitment to sustainable practices. Of course, all relationships require ongoing commitment and we maintained regular dialogue with our stakeholders throughout the reporting period.

This ongoing dialogue is guided by our Engagement Framework comprising; an annual **Stakeholder Engagement Strategy;** a **Communications and Media Plan;** and a **Government Engagement Plan.**

During the reporting period, stakeholder engagement centred around Traditional Owner engagement on heritage and procurement; and communicating and discussing the challenges facing the business with key government, business and community stakeholders.

Broader stakeholder engagements also occurred during this period, involving various community organisations, non-governmental organisations (NGOs), not-for-profit (NFP) entities, and business representatives.

Figure 9 - KMS Stakeholder Groups and Categories

Traditional Owner Relationships

KMS acknowledges and respects the Traditional Owners of the lands that we work on. We are committed to proactive, constructive and mutually beneficial relationships with the Joombarn-buru and Walalakoo Native Title holders, supporting growth whilst protecting Aboriginal cultural heritage. We continually work hard with our two Traditional Owner groups to try and meet their relationship expectations.

With a high proportion of Aboriginal residents in the Shires of Broome and Derby/West Kimberley, we recognise the unique opportunity to have a significant positive impact through intergenerational Aboriginal employment, Aboriginal-owned businesses, and partnerships with Traditional Owners.

Co-existence Agreements are in place with the Joombarn-buru and Walalakoo Aboriginal Corporations which outline our commitment and targets for Aboriginal and Traditional Owner procurement, employment, as well as cultural heritage management protocols and expectations.

Work has continued this year progressing our first Innovate Reconciliation Action Plan (RAP) which will help drive our vision and progress towards the targets set out in the Thunderbird Project Co-existence Agreements.

A RAP working group, consisting of seven KMS employees, of whom five identify as Aboriginal people, is overseeing the development of this important document.

Photo: Joombarn-buru Board Directors and KMS Directors at Thunderbird

Cultural Heritage

Since project inception, KMS has worked with Joombarn-buru Traditional Owners to complete extensive heritage surveys to understand, protect, and manage areas of significance within the mining lease.

Prior to construction, Registered Heritage Areas were agreed upon and included in all regulatory approval processes. Through this process, KMS and Joombarn-buru Traditional Owners further established the Heritage Exclusion Buffer Zones so the Project would be designed to protect all culturally significant areas identified in the ethnographic and archaeological surveys.

Given the area's rich cultural heritage, it is inevitable that additional artefacts will be discovered. This has been the case with three artefacts identified by KMS Rangers during pre-clearing works. These were reported to the Department of Planning, Lands and Heritage in accordance with the Aboriginal Heritage Act 1972. Subsequently, our Section 18 approvals were amended by the Minister for Aboriginal Affairs to protect two of the artefacts.

Aboriginal Engagement Strategy

During this Reporting Period, KMS continued to implement our Aboriginal Engagement Strategy which was developed in 2023/24.

The strategy outlines the actions we are undertaking to work towards our goal of *"Maximising Aboriginal employment, training and businesses and long-term community relationships through responsible and respectful cultural practices"* (Figure 10).

> **Aboriginal engagement is embedded in every facet of our operations.**

Figure 10 - KMS Aboriginal Engagement Strategy

Case Study ⌄

Birr Wunju Nganka Fire Pit and Yarning Circle

Stemming from an idea raised at KAWAG (KMS Aboriginal Working Advisory Group), Birr Wunju Nganka is an employee designed, constructed and managed yarning circle and firepit.

Located adjacent to the dry and wet mess, the name means 'shared stories or conversations', and is a safe space for conversations outside of work.

Created using rocks sourced on site, the design represents the four points of the compass, encouraging people from any area to come and yarn around the fire in a relaxed environment.

Photo: Staff at Birr Wunju Nganka

Governance

KMS's governance framework facilitates sound decision-making, upholds ethical behaviour, and ensures compliance across all operations (Figure 11).

> ## KMS is dedicated to maintaining the highest standards of integrity and transparency.

The KMS Board is responsible for setting the ethical and governance standards across the organisation.

Made up of individuals with various areas of expertise (Figure 12), the Board offers diverse viewpoints on strategic and operational issues, ensuring that the practices align with both business objectives and ethical guidelines.

The Board meets quarterly to oversee strategy, manage risks, and ensure compliance with ethical standards.

The role of Chair rotates annually between the Joint Venture partners, with Yansteel representative Alan Smith having been the Chair for the majority of the reporting period.

KMS Governance Structure

Figure 11 - KMS Governance Structure

KMS Board Structure

	KMS Board	SFX Board	YGH Board
Bruce Griffin	Non-Executive Chair[1]	Executive Chair	
Alan Smith	Non-Executive Director[2]		
Gordon Cowe	Non-Executive Director	Non-Executive Director	
Wencong Mo	Non-Executive Director		Founder & Director

1 - Bruce Griffin was Non-Executive Director until 19 March 2025
2 - Alan Smith was Non-Executive Chair until 19 March 2025

Figure 12 - KMS Board Structure

KMS Board Directors

Compliance and Integrity Framework

Our compliance framework exceeds statutory requirements and ensures ethical conduct is embedded into our corporate culture from the ground up.

We conduct regular compliance training sessions, supplemented by targeted training as new regulations or internal policies are introduced.

Our quarterly audits assess compliance to both internal policies and external legal standards, with the findings outlined in detailed reports to the Risk Committee and subsequently to the Board.

KMS is committed to providing safe avenues for any employee or stakeholder to come forward and report any complaints, grievances, or suspected misconduct, wrongdoing, or improper state of affairs without fear of retaliation or reprisal.

This is supported through our Whistleblower Policy, which provides protected communications and anonymity; and a Complaints Management Procedure which ensures that all complaints are tracked from receipt to resolution.

These are reviewed annually to incorporate best practices and employee feedback.

Governance, Transparency and Accountability

Our commitment to transparency and accountability is articulated through our audited Annual Report which details:

- Information about KMS's purpose, vision, values and strategic goals
- Director tenure and organisational structure
- Information about KMS activities within the reporting period, including key statistics and performance data

Our Board reflects a wide range of experiences and perspectives which is essential for effective governance.

Modern Slavery Statement

At KMS, we are committed to the principles of the Modern Slavery Act 2018 (Cth), ensuring our operations and supply chain uphold ethical standards. We actively assess risks and implement due diligence and remediation measures to protect human rights across our business relationships.

Modern slavery assessments are a core part of our risk management framework, helping us identify and address potential risks. We work closely with our suppliers and contractors to ensure they meet our ethical expectations.

Our Board oversees our Human Rights Policy, driving compliance and ethical conduct throughout our organisation and partnerships. This governance reflects our deep commitment to corporate responsibility and human rights, in line with our core values.

By embedding strong governance practices, KMS goes beyond legal and ethical obligations and strives to create a business environment that is both responsible and driven by integrity.

Business Ethics, Transparency and Reporting

The Risk Management Committee plays a key role in supporting the Board by regularly reviewing our ethical practices, compliance issues, and strategic approaches.

At the same time, the Board actively evaluates KMS's sustainability initiatives and risk management frameworks to ensure they align with long-term objectives and regulatory obligations.

At KMS, ethics and transparency are firmly established in our values and reflected in our actions. Our policy suite provides clear, comprehensive guidance for employees, contractors, and stakeholders.

Developed with KMS's core values in mind, these policies (Figure 13) ensure a strong ethical foundation. New employees and contractors receive training on our values, policies and procedures as part of the onboarding process.

KMS Policies	Antibribery, Corruption & Money Laundering Policy	Health, Safety and Wellbeing Policy
Financial and Risk Management Policy	Diversity and Inclusion Policy	Community Relations Policy
Human Rights Policy	Securities Trading Policy	Sustainability Policy
Environment Policy	Social Media Policy	Whistleblower Policy

Figure 13: KMS Policy Suite

Risk Management

Framework Overview

KMS's risk management framework (Figure 14) is designed to proactively identify and address risks across the organisation.

It enhances our ability to minimise losses while maximising opportunities. Aligned with the AS/NZS ISO 31000: Risk Management Principles and Guidelines, this framework is fully integrated into our strategic and operational plans

Figure 14: KMS Risk Management Framework

Risk Strategy and Objectives

KMS's risk strategy aims to create a secure environment for people and stakeholders, seeking optimal financial returns and a sustainable competitive edge. Risk management is a company-wide duty, with each department, location, and individual accountable for managing risks within their scope, supporting the overall strategy and organisational goals.

At KMS, managing risk is a structured and ongoing process. Key elements include:

- **Continuous Monitoring and Review:** Teams across the business regularly assess risks to maintain a safe and efficient workplace. Contractors also play a role by reviewing and managing their site-based operations.

- **Risk Reporting:** The risk reporting system is comprehensive and aligns with our structure and processes. Each department is responsible for tracking and reporting risks using the company's reporting tools. These reports help identify issues, changes, potential threats, and opportunities, and ensure risks are managed proactively.

- **Continuous Improvement:** Risk management is a constantly evolving process. KMS continuously reviews and refines our approach so that any necessary changes are made quickly, keeping the system effective and up to date.

Risk Governance and Roles

Figure 15: Risk Governance and Roles

> **Risk management is a company-wide duty.**

Disclosures - Appendix 1

Taskforce for Climate Related Disclosures

Core Disclosure	Response
Governance: Describe the organisation's governance around climate-related risks and opportunities	Responsibility for climate-risks and opportunities at KMS has been assigned by the Board to the Manager – Environment, Community & Public Relations
Strategy: The actual and potential impacts of climate-related risks and opportunities for the organisation's projects, strategy, and financial planning.	A climate risk identification and gap analysis has been completed and will assist in developing management plans for emerging climate risks, including the Net Zero Strategy.
Risk: The processes used by the organisation to identify, assess, and manage climate-related risks.	The Board will manage responsibility for risk oversight and periodically review KMS's risk management framework.
Metrics and targets: Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas emissions, and the related risks.	Scope 1, 2, and 3 emissions are being measured (refer profile at Table 1).
	The process for developing KMS' Net Zero Strategy was endorsed by the Board in late 2024, and will be completed during the next reporting period.
	Science Based Targets will be used as an accountability tool to assist in the development and execution of KMS's Net Zero Strategy.

GRI Content Index

KMS has reported the information cited in this Global Reporting Initiative (GRI) content index for this Reporting Period with reference to the GRI standards and our approach to managing our most material topics.

GRI1 - GRI1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures	2-1 Organisational details	KMS ESG Report: Kimberley Mineral Sands
	2-2 Entities included in the organisation's sustainability reporting	KMS ESG Report: About this Report
	2-3 Reporting period, frequency, and contact point	KMS ESG Report: About this Report
	2-6 Activities, value chain and other business relationships	KMS ESG Report: The Thunderbird Mineral Sands Project
	2-7 Employees	KMS ESG Report: Employees and KMS ESG Databook: Employees
	2-8 Workers who are not employees	KMS ESG Databook: Employees
	2-9 Governance structure and composition	KMS ESG Report: Our Leadership
	2-16 Communication of critical concerns	KMS ESG Report: Stakeholder Engagement
	2-22 Statement on sustainable development strategy	KMS ESG Report: From the Chief Operating Officer
	2-23 Policy commitments	KMS ESG Report: Business Ethics, Transparency, and Reporting
	2-24 Embedding policy commitments	KMS ESG Report: Business Ethics, Transparency, and Reporting
	2-25 Processes to remediate negative impacts	KMS ESG Report: Stakeholder Engagement
	2-26 Mechanisms for seeking advice and raising concerns	KMS ESG Report: Stakeholder Engagement
	2-27 Compliance with laws and regulations	KMS ESG Databook: Environmental Impacts and Environmental Compliance & Rehabilitation
	2-29 Approach to stakeholder engagement	KMS ESG Report: Stakeholder Engagement
GRI 3: Material Topics 2021	3-2 List of material topics	KMS ESG Report: Our Material Topics
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	KMS ESG Databook: Employees
	201-2 Financial implications and other risks and opportunities due to climate change	KMS ESG Report: Taskforce for Climate-related Financial Disclosures
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	KMS ESG Databook: Employees
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	KMS ESG Report: Local Business Spend
GRI 302: Energy 2016	302-1 Energy consumption within the organization	KMS ESG Databook: Climate Resiliency
	302-3 Energy intensity	KMS ESG Databook: Climate Resiliency
GRI 303: Water and Effluents 2018	303-5 Water consumption	KMS ESG Databook: Environmental Impacts

GRI Content Index cont'd

GRI 303: Water and Effluents 2018	303-5 Water consumption	KMS ESG Databook: Environmental Impacts
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	KMS ESG Databook: Environmental Compliance & Rehabilitation
	304-3 Habitats protected of restored	KMS ESG Databook: Environmental Compliance & Rehabilitation
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	KMS ESG Report: Climate Resiliency
	305-2 Indirect (Scope 2) GHG emissions	KMS ESG Report: Climate Resiliency
	305-3 Other indirect (Scope 3) GHG emissions	KMS ESG Report: Climate Resiliency
	305-4 GHG emissions intensity	KMS ESG Report: Climate Resiliency
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	KMS ESG Report: Environmental Impacts
	306-3 Waste generated	KMS ESG Databook: Environmental Impacts
	306-4 Waste diverted from disposal	KMS ESG Databook: Environmental Impacts
	306-5 Waste directed to disposal	KMS ESG Databook: Environmental Impacts
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	KMS ESG Databook: Employees
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	KMS ESG Report: Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	KMS ESG Report: Occupational Health and Safety
	403-5 Worker training on occupational health and safety	KMS ESG Databook: Employees
	403-9 Work-related injuries	KMS ESG Report: Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	KMS ESG Databook: Employees
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	KMS ESG Report: Employees and KMS ESG Databook: Employees
	405-2 Ratio of basic salary and remuneration of women to men	KMS ESG Databook: Employees
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	KMS ESG Report: Business Ethics, Transparency, and Reporting
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	KMS ESG Report: Business Ethics, Transparency, and Reporting
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving the rights of indigenous peoples	KMS ESG Databook: Traditional Owner Relationships

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SASB Content Index

SASB Code	Topic	Location
EE-MM-110a.1	Greenhouse Gas Emissions	KMS ESG Report: Climate Resiliency and Reporting
EE-MM-120a.1	Air Quality	KMS ESG Databook: Environmental Impacts
EE-MM-130a.1	Energy Management	KMS ESG Report: Climate Resiliency and Reporting
EE-MM-140a.1	Water Management	KMS ESG Databook: Environmental Impacts
EE-MM-140a.2		KMS ESG Databook: Environmental Impacts
EE-MM-150a.4	Waste & Hazardous Materials Management	KMS ESG Databook: Environmental Impacts
EE-MM-150a.5		KMS ESG Databook: Environmental Impacts
EE-MM-150a.6		KMS ESG Databook: Environmental Impacts
EE-MM-150a.7		KMS ESG Databook: Environmental Impacts
EE-MM-150a.8		KMS ESG Databook: Environmental Impacts
EE-MM-150a.10		KMS ESG Databook: Environmental Impacts
EE-MM-160a.1	Biodiversity Impacts	KMS ESG Databook: Environmental Compliance & Rehabilitation
EE-MM-160a.3		KMS ESG Databook: Environmental Compliance & Rehabilitation
EE-MM-210.1	Security, Human Rights, & Rights of Indigenous Peoples	KMS ESG Databook: Traditional Owner Relationships
EE-MM-210.2		KMS ESG Databook: Traditional Owner Relationships
EE-MM-210.3		KMS ESG Databook: Traditional Owner Relationships
EE-MM-210b.1	Community Relations	KMS ESG Report: Stakeholder Engagement
EE-MM-210b.2		KMS ESG Databook: Employees
EE-MM-510a.1	Business Ethics & Transparency	KMS ESG Report: Stakeholder Engagement
EE-MM-540a.2	Tailings Storage Facilities Management	KMS ESG Databook: Environmental Impacts
EE-MM-540a.3		KMS ESG Report: Occupational Health and Safety
EE-MM-000.B	NIL	KMS ESG Databook: Employees

Glossary

ASRS	Australian Sustainability Reporting Standards
BIBO	Bus in, bus out
DCCEEW	Department of Climate Change and Energy
DWER	Department of Water and Environmental Regulation
DEMIRS	Department of Energy, Mines, Industrial Relations and Safety
ESG	Environmental, Social, and Governance
FIFO	Fly-in, fly-out
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
JbAC	Joombarn-buru Aboriginal Corporation
KMS	Kimberley Mineral Sands
LOM	Life of Mine
LTI	Lost-Time Injury
IAP2	International Association for Public Participation
MS1080	Ministerial Statement 1080
RAP	Reconciliation Action Plan
SASB	Sustainability Accounting Standards Board
SDG	United Nations Sustainable Development Goals
Thunderbird	Thunderbird Operations
TCFD	Taskforce for Climate Related Financial Disclosures

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