



Kitco's Fighting against Forced Labour and Child Labour Report

Financial Year Ended March 31, 2024

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1. Introduction

At Kitco Metals Inc. (referred to in this report as “Kitco,” “we,” “us,” or “our”), we are committed to upholding human rights and responsible business practices as integral components of our operations. This report has been prepared pursuant to the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”)*, and describes Kitco’s activities from April 01, 2023 to March 31, 2024 (the “Reporting Year”). Kitco is not subject to reporting requirements under supply chain legislation in another jurisdiction.

2. Steps to Prevent and Reduce Risks of Forced Labour and Child Labour

During the Reporting Year, we took the following actions to prevent and reduce the risk of forced labour and child labour:

- We initiated a review to update our procurement policy. As part of this endeavor, we revised our onboarding process to include in the risk assessment the labour standards to which a precious metals manufacturer or distributor adheres to;
- We continued to fulfill our obligations related to our anti-money laundering (AML)/counter-terrorist financing (CTF) compliance program, including but not limited to, conducting risk assessments, due diligence and ongoing monitoring for our precious metal suppliers, conducting training for most of Kitco’s employees on Kitco’s and employees’ AML/CTF compliance obligations and conducting an independent review of the effectiveness of the compliance program.

3. Our Structure, Activities and Supply Chains

3.1. Our Structure

Kitco is a Canadian company incorporated under the *Canada Business Corporations Act* and is headquartered in Montreal, Quebec, Canada.

3.2. Our Activities

As one of the world's largest online retailers and full-service providers of precious metals in the world, Kitco is primarily engaged in the purchase and sale of precious metals in Canada and internationally, as well the generation and distribution of cutting-edge precious metals-related news, market insights and data to a global audience.

3.3. Our Supply Chains

In the realm of our business operations, the supply chain landscape comprises three primary categories:

1. Non-Precious Metal Related Goods and Services:

- This category encompasses the procurement of various goods and services vital for the day-to-day functioning of our business. Examples include information technology infrastructure, logistics services, office supplies, and other resources necessary for seamless operations.

2. Precious Metals Manufacturers and Distributors:

- Sovereign governmental mints, refineries and precious metals distributors form the cornerstone of our inventory and constitute the largest segment of our supply chain.

3. Retail Customers:

- While retail customers may not conventionally be categorized as suppliers, their role in our supply chain is undeniable. By selling to us, retail customers actively participate in the circulation of precious metals and contribute directly to the availability and diversity of our inventory.

4. Our Policies and Due Diligence Processes

4.1. Our Code of Conduct

We uphold a robust Code of Conduct that articulates our steadfast commitment to human rights, including a stringent non-discrimination policy, along with comprehensive guidelines addressing harassment, violence, and other forms of misconduct in the workplace. This code serves as a foundational document guiding all employees, underscoring our unwavering dedication to promoting and safeguarding human rights within our operations.

4.2. Our Due Diligence Processes

We mandate that all precious metals suppliers undergo an onboarding process.

Before establishing a relationship with any precious metals manufacturer or distributor, our compliance team conducts thorough screening using sanctions and adverse media screening software. This rigorous process ensures that Kitco does not engage with suppliers subject to adverse media or sanctions, including negative news related to forced labour and child labour.

As a precious metals dealer regulated under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and related regulations, we routinely conduct risk assessments, due diligence and ongoing monitoring of retail customer activities.

5. Assessment and Management of Forced Labour and Child Labour Risks

We use the U.S. Department of Labor's [List of Goods Produced by Child Labor or Forced Labor](#) (the "List") to inform us about the goods and their sourcing countries that pose a high risk of forced labour and child labour. Most of Kitco's suppliers of all categories are in Canada and the U.S., and we did not purchase any of the named goods from any of the sourcing countries in the List during the Reporting Year. Due to the geographic locations of Kitco and our suppliers, our Code of Conduct and the due

diligence processes that we have in place, we believe that the risk of forced labour and child labour occurring in our activities and supply chains is minimal.

6. Our Remediation Measures

We have not identified any forced labour or child labour in our activities or supply chains; therefore, we have not taken any remediation measures to remediate any forced labour or child labour, or to remediate any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities and supply chains.

7. Our Training and Awareness

All Kitco employees are expected to read, understand and comply with the principles and requirements set forth in the Code of Conduct during orientation. Employees are also instructed to promptly inform their supervisor/manager or the Human Resources Department if they become victims or witnesses of human rights violations.

The majority of Kitco's employees are required to complete AML/CTF and sanctions compliance training upon hire and on an annual or semi-annual basis thereafter. These training sessions educate employees on how to recognize and report suspicious behavior involving any type of illegal activity, including forced labour and child labour.

In 2024, we plan to develop a responsible sourcing training program focused on raising employee awareness of our obligations under the Act and the steps we have taken to address forced labour and child labour.

8. Assessing Our Effectiveness

We regularly update our Code of Conduct whenever changes are required. We also regularly update and improve our AML/CTF compliance program, which is designed to maintain effective control over the risk of exposure to money laundering and terrorist financing. We require all employees who receive AML/CTF training to also pass a post-

training quiz to test the effectiveness of the training. In addition, we conduct biennial independent third-party reviews of the AML/CTF compliance program to assess its effectiveness.

During the Reporting Year, we detected no instances of forced labour or child labour.

9. Approval and Attestation

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.



Bart Kitner

President

I have the authority to bind Kitco Metals Inc.

May 24, 2024