



Report on Fighting Against Forced Labour and Child Labour in Supply Chains

Traxys North America 2023

Table of Contents

- 1. About This Report 3
- 2. About Traxys North America LLC 3
- 3. Steps taken to prevent and reduce the risk of Forced Labour and Child Labour 3
- 4. Future steps to prevent and reduce the risk of Forced Labour and Child Labour 4
- 5. Policies and due diligence processes related to Forced Labour and/or Child Labour 4
- 6. Supply Chain Risk of Forced Labour or Child Labour 5
- 7. Remediation of Forced Labour or Child Labour 6
- 8. Training of employees on Forced Labour and/or Child Labour 6
- 9. Effectiveness in ensuring that Forced Labour and Child Labour are not being used in activities and supply chains 6

1. About This Report

Traxys North America LLC (TNA) has prepared this report to fulfill the reporting requirements of Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act) for the financial year 2023. The report has been structured to cover all areas specified under the Act's reporting requirements. TNA is currently not subject to reporting requirements under supply legislation in another jurisdiction.

At TNA, we believe that preventing and mitigating the risks of forced labor and child labor in the Canadian supply chain is of utmost importance. As a commodities trader in the global supply chain, we take our responsibility seriously and consistently strive to improve how we conduct due diligence of our suppliers. Our commitment to ethical and responsible sourcing is unwavering, and we understand that we must ensure that our suppliers meet the highest standards regarding forced or child labor.

Approval and Attestation

This report has been approved by the Board of Managers of Traxys North America LLC. 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 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.

In my capacity as a Chief Executive Officer of Traxys North America LLC, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.



Mark Kristoff, Chief Executive Officer

Traxys North America, 23 May 2024

I have the authority to bind Traxys North America LLC.

2. About Traxys North America LLC

TNA is a physical commodity trader and merchant in the metals and natural resources sectors. It is based in New York, and its logistics, marketing, distribution, supply chain management, and trading activities are conducted in the United States by over 200 employees and other Traxys Group entities worldwide. TNA is a subsidiary of Traxys S.a.r.l., a Luxembourg-headquartered entity.

TNA is engaged in sourcing, trading, marketing, and distributing non-ferrous metals, ferroalloys, minerals, industrial raw materials, and energy. Traxys trades and markets a wide range of commodities sourced from diverse regions of the world and works with its suppliers and sourcing partners to encourage adherence to the U.N. Guiding Principles on Business and Human Rights and the implementation of procedures that prevent potential human rights harm.

3. Steps taken to prevent and reduce the risk of Forced Labour and Child Labour

- TNA's supply chain due diligence and certificate of origin procedures allow us to correctly map our activities and global supply chains.
- TNA conducts internal risk assessments of forced labour and/or child labour in the organization's activities and supply chains.
- TNA actively takes steps to monitor suppliers and, when warranted by risk assessments for long-term supply relationships, undertake site visits.
- Traxys has developed and implemented grievance mechanisms, a Code of Conduct, a Business Integrity and Non-Retaliation Policy, and Whistleblower tools and procedures.
 - Traxys trains all employees on Traxys' Business Integrity and Whistleblowing policy and associated procedures. The training

educates employees on whistleblowing, work-related grievances, the process for filing a whistleblowing complaint, and the subsequent investigation process.

- Traxys developed a Supplier Code of Conduct that requires suppliers comply with all applicable laws and regulations. It forms the basis for TNA to identify, address, and prohibit the use of forced labor and/or child labor throughout the supply chain.
- As a wholesale trader, Traxys is not in a position to engage directly with workers and families affected by forced labour but does undertake prevention measures commensurate with its position in the supply chain.

4. Future steps to prevent and reduce the risk of Forced Labour and Child Labour

- Traxys will implement our Supplier Code of Conduct to ensure that our suppliers comply with our anti-forced labour and/or -child labour standards.
- At present, our contracts include clauses requiring compliance with all applicable laws and regulations, per our general terms and conditions (GTCs); our goal is to develop and implement anti-forced labor and/or child-labour contractual clauses aligned with our Supplier Code of Conduct.
- Where applicable, we will develop and implement employee training and awareness materials on forced labour and/or child labour.

5. Policies and due diligence processes related to Forced Labour and/or Child Labour

As a global commodities trading firm, Traxys is firmly committed to conducting its business with integrity

and transparency and in compliance with best practices and all applicable laws, regulations, and guidelines. It is Traxys' policy to source minerals and metals in a transparent, ethical, and responsible manner and to engage in responsible trade with mineral producers who engage and participate in conflict-free ethical, legal, and transparent supply chain initiatives.

Traxys maintains several policies affirming our commitment to conducting business in a lawful, ethical, and responsible manner, including:

- Conflict Minerals and Responsible Sourcing Policy
- Environmental, Social and Governance (ESG) Policy
- Know-Your-Counterparty Policy
- Traxys Code of Conduct
- Supplier Code of Conduct
- Business Integrity and Non-Retaliation Policy

Per the Traxys ESG Policy:

- Clause 4. (Commitments to Society: Human Rights) *Traxys observes and complies with the Uyghur Forced Labor Prevention Act of the United States and forced labor and modern slavery laws and regulations.*
- Clause 4.2 (Worker Rights) states that Traxys *respects the rights of workers involved in the supply chain and aligns its policies and practices with the Conventions of the International Labour Organization (ILO), particularly the ILO Declaration on Fundamental Principles and Rights at Work.*

The ILO Conventions require Traxys to respect the rights of employees to freedom of association, collective representation, reasonable working hours, safe working conditions, fair wages, proper

equipment, and other fundamental worker rights. Traxys also expects its suppliers and sourcing partners to respect the same fundamental worker rights.

- Clause 8.2 (Human Rights Frameworks) includes the list of frameworks and conventions that Traxys adheres to:
 - U.N. International Bill of Human Rights
 - U.N. Global Compact
 - U.N. Guiding Principles on Business & Human Rights
 - Conventions of the International Labour Organization
 - The International Labour Organization's Forced Labour Protocol
 - U.N. Declaration on the Rights of Indigenous Peoples
 - ICMM Position Statement on Indigenous Peoples and Mining
 - OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas
 - The Voluntary Principles on Security & Human Rights.

Per the Traxys Code of Conduct:

- Clause 9.2 (Human rights) *Traxys condemns and does not tolerate any violation of human rights or child or forced labor laws. It is also Traxys' policy to source minerals and metals in a transparent, ethical and responsible manner and that have been extracted or produced without unlawful child or forced labor or other human rights abuses.*

Per the Traxys Supplier Code of Conduct:

- Traxys prohibits all forms of forced and child labor (not just the most severe forms) in our supply chains. Clause 4.1 (Human Rights Due Diligence) of the Traxys Supplier Code of Conduct provides that suppliers are *to work proactively to identify, prevent, mitigate, and maintain accurate records of all risks to human and labor rights risks.*
- Clause 4.2 (Child Labor) states that suppliers are *expected to prevent child labor in their operations and supply chains and ensure legal working conditions for young workers. If child labor is identified, remediation must be done in the child's best interest.*
- Clause 4.3 (Modern Slavery) states that Traxys *does not tolerate modern slavery, including forced labor, human trafficking, and other forms of exploitation.*

To identify, manage and mitigate risks of forced or child labour, Traxys conducts due diligence on all parties in its supply chain and works to establish and participate in transparent and responsible mineral supply chain initiatives such as the Responsible Minerals Initiative (RMI) list of refiners and smelters that participate in the Responsible Minerals Assurance Process (RMAP). This due diligence also includes know-your-counterparty (KYC) procedures on all proposed suppliers and, when warranted, on-the-ground visits and meetings.

6. Supply Chain risk of Forced Labour or Child Labour

As we operate within the global mining and quarrying sector and with raw materials and commodities in our supply chain, we have identified risks of forced or child labour to the best of our knowledge. We will continue to strive to identify emerging risks. During supply chain due diligence, Traxys has identified risks of forced labor in the supply chain for certain minerals originating from certain geographic areas. We have also identified risks of forced labor in specific geographic origins such as the Xinjiang Uyghur Autonomous Region of China.

Traxys' supply chains involve commodities sourced from multiple regions around the world, including environments where there may be weak rule of law or a lack of adequate worker rights protections.

Traxys has a zero-tolerance policy regarding forced labor of all kinds, including child labor and modern slavery, and uses a variety of mechanisms to eliminate these practices from our supply chains, such as:

- A KYC process which is mandatory for all parties who do business with Traxys,
- Forced Labor Questionnaires for suppliers based in areas with a reported risk of forced labor or in industries deemed high risk.
- Additional tools, where warranted, include third-party audits and on-site visits by Traxys employees.

7. Remediation of Forced Labour or Child Labour

We have not found any instances of forced labor or child labour within our global supply chain. We have a zero-tolerance policy on this topic. If we were to discover any such incidents, we would immediately discontinue our business relationship with the supplier in question as a matter of policy and principle.

We have not encountered any such instances, and as such, no need for remediation has arisen. However, we remain vigilant and are committed to monitoring our supply chain closely to ensure that our products are ethically sourced and produced.

Traxys is committed to engaging with transparent, legal, and ethical supply chains. This prevents vulnerable families from losing their income as a result of sourcing from elsewhere or avoiding vulnerable regions altogether. The company recognizes the importance of ensuring that its

sourcing practices do not negatively impact those who are most vulnerable.

8. Training of employees on Forced Labour and/or Child Labour

We do not currently have training devoted specifically to forced and child labor. However, it is worth noting that Traxys employees are bound by our Code of Conduct and Employees Handbook, as well as by the company's policy on responsible commodity trading, Supplier Code of Conduct, and Due Diligence.

9. Effectiveness in ensuring that Forced Labour and Child Labour are not being used in activities and supply chains

We regularly review policies and procedures related to forced labour and child labour. We partner with an external organization to conduct an independent review or audit of our actions. As warranted by risk, we work with suppliers to measure the effectiveness of their actions to address forced labour and child labour. This may include tracking relevant performance indicators.

Traxys continues to monitor all aspects of the supply chain to ensure that our suppliers share our commitment to preventing forced and child labor. We endeavor to identify potential risks when they arise, especially if the supplier is new to the Traxys supply chain.

Traxys encourages its employees to make on-site visits and also uses Traxys Group's worldwide network of offices, staffed with people who know the local suppliers and are familiar with the language and local laws and customs.

In addition, Traxys provides multiple channels, including anonymous Whistleblower channels, which prohibit retaliation or other adverse consequences and through which claims of human rights-based (or

other) concerns, whether associated with Traxys' operations or with the activities of our partners or suppliers, can be reported.