



FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR REPORT

For Fiscal 2024

April 1, 2023 – March 31, 2024

INTRODUCTION

Silvercorp Metals Inc. (“**Silvercorp**” or the “**Company**”) is committed to preventing and mitigating human rights impacts associated with the Company’s operations and throughout its value chains.

The Company prepared this **Fighting Against Forced Labour and Child Labour in Supply Chains Report** (the “**Report**”) in accordance with *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023)* (the “**Act**”) for the financial year ended March 31, 2024. This is a joint report made under Section 11 of the Act on behalf of the Company and its subsidiaries that have been determined to be reporting entities under the Act (collectively, the “**Reporting Entities**”) listed below.

Reporting Entity	Country of Registration	Principal Business
Silvercorp Metals Inc.	Canada	Company
Silvercorp Metals (China) Inc.	China	Holding Company
0875786 B.C. LTD.	Canada	Holding Company
Fortune Mining Limited	BVI (i)	Holding Company
Fortune Copper Limited	BVI	Holding Company
Fortune Gold Mining Limited	BVI	Holding Company
Victor Resources Ltd.	BVI	Holding Company
Yangtze Mining Ltd.	BVI	Holding Company
Victor Mining Ltd.	BVI	Holding Company
Yangtze Mining (H.K.) Ltd.	Hong Kong	Holding Company
Fortune Gold Mining (H.K.) Limited	Hong Kong	Holding Company
Wonder Success Limited	Hong Kong	Holding Company
Henan Huawei Mining Co. Ltd. (“Henan Huawei”)	China	Mining
Henan Found Mining Co. Ltd. (“Henan Found”)	China	Mining
Xinshao Yunxiang Mining Co., Ltd. (“Yunxiang”)	China	Mining
Guangdong Found Mining Co. Ltd. (“Guangdong Found”)	China	Mining
Shanxi Xinbaoyuan Mining Co., Ltd. (“Xinbaoyuan”)	China	Mining

(i) British Virgin Islands (“BVI”)

This report describes the actions that Silvercorp has taken to assess and manage the risks of forced and child labour (“**Modern Slavery Risks**”). In this Report, unless otherwise stated, references to “Silvercorp”, the “Company”, “we”, “us”, “our” and other similar expressions include the Reporting Entities.

STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

ABOUT SILVERCORP

Headquartered in Vancouver, Canada, Silvercorp is a Canadian mining company with over 19-year operating track record. Our mission is to build and operate profitable mines that generate sustainable economic, social, and environmental value for all stakeholders. Silvercorp operates several silver-lead-zinc mines at the Ying Mining District in Henan Province, China and the GC silver-lead-zinc mine in Guangdong Province, China. We trade under the symbol SVM on the TSX and NYSE American.

In Fiscal 2024, Silvercorp's workforce comprised a total of 4,745 workers: 3,338 contractor employees, 1,382 full-time employees at Silvercorp Metals (China) Inc., and 25 full-time employees at the Vancouver corporate office.



OUR ACTIVITIES AND SUPPLY CHAIN

From Fiscal 2022 to Fiscal 2024, all equipment supplied to Silvercorp originated from China, accounting for 100% of the procurement amount. Suppliers represent 60% of total expenditures provided in the following categories of goods or services: heavy machinery equipment, steel products, ore dressing agents, low-smoke halogen-free cables, grinding media, anti-seepage materials, and explosives.

The Company's main business is the upstream mining of mineral products from its own mines, with no external main products. We produce silver, gold, lead, and zinc concentrates. The concentrates are directly sold to downstream smelters for further processing. Our products are primarily used in the production of semiconductors, printed circuit boards, batteries, electronic components, jewelry, etc., and serve several listed companies in China. We adhere to the concept of "responsible production and operation", and encourage suppliers to adopt green practices and pursue sustainable development. We also promote the principles of transparent procurement and prioritize local procurement to support the development of the local economy.

GOVERNANCE AND SUSTAINABILITY

GOVERNANCE

Sustainability is ingrained at every level, from the Board of Directors to the operational subsidiaries. The Sustainability Committee of the Board of Directors is responsible for overseeing the Company's sustainability strategies, plans, policies, and implementation. The Committee advises management in evaluating ESG (Environmental, Social, and Governance) related risks and opportunities, ensuring that these factors are integrated into the Company's strategic decisions.

Additionally, the Committee approves the annual sustainability goals and targets, reviews, and evaluates the performance against these objectives.

At the management level, the ESG Management Centre in Beijing, led by the President of Silvercorp China, develops and implements our sustainability planning. They coordinate the implementation of key sustainability goals and projects and supervise the implementation of all ESG-related work at our subsidiaries.

The General Manager of each subsidiary is responsible for the overall management of ESG affairs at their respective subsidiary. They ensure that the policies and procedures are implemented and continually monitor, develop and maintain communication channels with key stakeholder groups.

OUR COMMITMENT TO SUSTAINABILITY AND HUMAN RIGHTS

Our core objectives are to operate safely, sustainably, and responsibly with the environment and collaboratively with local communities, including human rights, to provide sustainable social value for our employees, the communities where we operate, and society as a whole. We strive to build a strong corporate culture centered around our key values of respect, equality, and responsibility.

In February 2023, our Board of Directors updated our [Human Rights Protection Policy](#) to further affirm our commitment to the protection of human rights. This policy outlines our dedication to reducing the possibility of child labour and forced labour in our operations and those of our suppliers. The Silvercorp Human Rights Statement reflects the Company's policies and was adopted by the Silvercorp Board of Directors to raise employee awareness of human rights protection. We actively promote human rights protection across our Company's operations.

OUR SUSTAINABILITY STRATEGY

As a responsible miner, we are committed to integrating environmental, social, and governance factors into our business strategy and generating impactful change in the communities in which we work and live, sustainably.

We recognize that our business and operations have significant impacts on the local communities and environments and our duty as a responsible mining company is to drive progress and growth in both areas. As a result, over Fiscal 2024, we continued to align our sustainability strategy with the United Nations Sustainable Development Group's.

POLICES AND DUE DILIGENCE PROCESS

OUR POLICIES

We take a zero-tolerance approach to child labour and forced labour of any kind. Silvercorp will comply with all minimum working age laws and regulations related to child and forced labour in all the areas where we operate.

Our policies can be found on the Company's website at <https://silvercorpmetals.com/governance/>

- Our **Code of Conduct & Ethics** ([click here](#))

The Code of Business Conduct and Ethics states that the Company is committed to conducting business ethically and in full compliance with legal standards and requires all employees and representatives of Silvercorp to comply with applicable laws, which include labour laws that prohibit forced labour and child labour.

The policy establishes a legal and ethical framework that indirectly supports the prevention of forced and child

labour by ensuring that all business operations adhere to internationally recognized labour laws.

- **Our Anti-Corruption Policy** ([click here](#))

The Anti-Corruption Policy plays an important role in preventing the conditions that often enable modern slavery. Corruption, such as bribery and fraudulent labour practices, can facilitate forced labour by allowing unethical recruitment, contract fraud, and human trafficking to persist. By strictly prohibiting corrupt activities in all business dealings, this policy helps maintain transparency and accountability, which indirectly reduces the risks of exploitative labour practices within Silvercorp's operations and supply chain.

- **Our Whistleblower Policy** ([click here](#))

The Whistleblower Policy provides a mechanism for employees and stakeholders to report unethical or illegal activities, including those related to forced labour and child labour. The policy ensures that individuals who report concerns are protected from retaliation, which encourages transparency and accountability. By allowing whistleblowers to raise issues related to labour rights violations, this policy serves as a safeguard against modern slavery within Silvercorp's operations and supply chain. If any employee, supplier, or contractor engages in forced labour or child labour, the reporting system enables the Company to investigate and take corrective action.

- **Our Corporate Disclosure Policy** ([click here](#))

The Corporate Disclosure Policy emphasizes the importance of full and accurate disclosure of material information related to the Company's operations. This framework ensures that if any issues impacting human rights or labour standards arise, they must be communicated to stakeholders in a timely and accurate manner. In this way, the Corporate Disclosure Policy indirectly supports the prevention of modern slavery by holding the Company accountable for revealing any adverse practices or risks, including those that might affect its human rights commitments.

- **Our Human Rights Protection Policy** ([click here](#))

The Human Rights Protection Policy explicitly prohibits forced labour and child labour. This policy aligns with internationally recognized human rights frameworks, including the Universal Declaration of Human Rights and the International Labour Organization (ILO) Conventions. It emphasizes Silvercorp's commitment to upholding fair and ethical labour practices and ensures that all workers are employed voluntarily and under fair conditions. The policy also extends to the company's business partners, contractors, and suppliers, requiring them to adhere to the same human rights standards. By embedding human rights protections into its corporate values and business relationships, Silvercorp aims to prevent any form of modern slavery within its operations and supply chain.

- **Our Community Relations Policy** ([click here](#))

The Community Relations Policy highlights Silvercorp's responsibility to respect the rights of local communities and indigenous groups. The policy reinforces ethical labour practices by ensuring that Company operations do not contribute to exploitative working conditions. By fostering positive relationships with communities and promoting economic opportunities, Silvercorp helps reduce the risk of vulnerable populations being subjected to modern slavery.

- Our **Human Resources Policy** ([click here](#))

The Human Resources Policy explicitly states that Silvercorp prohibits forced labour and child labour in all its operations. The policy ensures that all employment must be voluntary, meaning that no worker should be coerced into employment through threats, debt bondage, or other forms of exploitation. It also mandates compliance with applicable labour laws and international human rights standards, ensuring that fair wages, safe working conditions, and ethical recruitment practices are upheld. By enforcing these principles, the policy protects workers from exploitation and prevents any form of modern slavery within the Company.

- Our **Occupational Health and Safety Policy** ([click here](#))

The Occupational Health and Safety Policy indirectly addresses modern slavery by ensuring that all workers operate in a safe and healthy environment. Forced labour often involves hazardous working conditions without proper safety measures, and this policy helps mitigate such risks by requiring adequate safety training, protective equipment, and workplace monitoring.

- Our **Supplier and Contractor Code of Conduct** ([click here](#))

The Supplier and Contractor Code of Conduct explicitly prohibits forced labour and child labour. This policy requires all suppliers and contractors to comply with all child and forced labour and minimum working age laws and regulations in all of the areas where they operate, including ILO Conventions. The policy also mandates that suppliers provide fair wages, safe working conditions, and ethical treatment of workers. Silvercorp reserves the right to terminate relationships with suppliers or contractors who fail to comply with these standards, ensuring that its supply chain remains free from modern slavery.

DUE DILIGENCE PROCESS IN SUPPLY CHAIN

To enhance supply chain transparency and traceability, we are currently establishing a supply chain compliance record and traceability system to trace the origins of outsourced materials. This is supported by issuing supplier questionnaires to investigate labour compliance and the use of child labour in outsourced materials. By increasing supply chain transparency, we aim to manage and assess any forced labour and child labour risks in the supply chain, thus preventing and mitigating the risk of using forced labour or child labour in our operations.

DUE DILIGENCE PROCESS IN RECRUITMENT

In China, where Silvercorp operates, every citizen possesses a resident identity card that serves as a legal identification document, containing unique information about their identity and birth date. Upon employment, all employee information is entered into our NCC Human Resources Management System, which includes safeguards for identifying individuals under the age of 16. The NCC HR system includes functions to verify identity card numbers for errors and will flag any individual under the age of 16 and will prompt not to enter their information. The Human Resources department verifies the identity of individuals upon employment and retains a copy of their ID card. In the labour contracts signed with each formal employee, their ID card number, including age information, is included to manage and verify employee age information, thus avoiding the use of child labour. If forced labour or child labour is discovered in the supply chain, the Company will immediately terminate cooperation with the involved parties.

FORCED LABOUR AND CHILD LABOUR RISKS

ASSESSMENT AND MANAGEMENT IN SUPPLY CHAIN

We have developed a risk assessment and management process for identifying, preventing, and addressing the risks of forced labour and the use of child labour in our supply chain. Our procurement management system, the “SVM Bidding Process”, conducts reviews and enforces requirements for supplier prequalification, invitation, and selection, with clear provisions in the “Supplier Selection Criteria and Process” prohibiting the selection or engagement of suppliers involved in human rights violations related to forced labour and child labour.

Our supplier evaluation workflow includes preliminary research, market visits, and supplier directory screening to identify potential suppliers. A credit review is required for bidding from suppliers to provide documents on environmental, quality, and occupational health and safety management. At fiscal year end, we consolidate the information of active suppliers during the year and conduct a credit check of the suppliers. Suppliers with relatively large numbers of orders or with large amounts of complaints will be subject to re-evaluation. Silvercorp maintains a zero-tolerance policy towards child labour and forced labour. If any instances of forced labour or child labour are discovered within the Company's supply chain, Silvercorp will immediately terminate cooperation with all involved parties.

ASSESSMENT AND MANAGEMENT IN RECRUITMENT

Silvercorp's recruitment has operational processes in place to ensure that child and forced labour is not used. We utilize three channels for hiring: online recruitment, on-site job fairs, and internal referrals by existing employees. During the application process, the Human Resources department directly communicates with applicants to understand their job preferences and requires them to fill out an application form specifying their intended position and personal information. There has not been any instance of forced recruitment during the Company-organized activities.

WHISTLEBLOWER CHANNEL

Silvercorp values a sound whistleblower mechanism and continuously works toward improving its whistleblower protection system. The Company revised its *Whistleblower Policy* in accordance with Canadian securities regulatory requirements to encourage employees, external consultants, and other external stakeholders to report illegal and improper conduct of the Company, violations of the Company's *Employee Handbook*, or the *Code of Business Conduct and Ethics* by employees, contractors, or managers, and safety, environmental and community-related matters. Whistleblowers may report these actions directly to the Company's management, or by email or phone, either anonymously or using their name.

At Silvercorp, we promote an open door policy where members of our organization should feel comfortable discussing matters with individuals at all levels. The Company encourages employees to report any illegal or inappropriate behaviour within the Company. Regarding incidents of forced labour and child labour, the Company has established dedicated reporting phone numbers and email addresses. In 2024, Silvercorp did not receive any reports concerning incidents of forced labour or child labour.

GRIEVANCE MECHANISM

Appropriate grievance management is a critical instrument for the Company to carry out ongoing due diligence on all risks and impacts to our stakeholders, including human rights. We work with our stakeholders to create a working environment that ensures dignity, security, equality, and freedom from harassment. Employee grievances and complaints will be addressed in a timely and fair manner.

The Board Chair and Chair of the Audit Committee will maintain a log of all concerns or complaints, tracking their receipt and treatment, and shall prepare a periodic summary report thereof for the Board and Audit Committee.

REMEDATION MEASURES

During Fiscal Year 2024, no incidents of forced or child labour were identified by Silvercorp in its operations or supply chains, and no incidents of forced or child labour were reported to it by employees, suppliers or others, including pursuant to the Whistleblower Policy and the Grievance Mechanism. As a result, no remediation actions were taken during 2024.

REMEDATION OF LOSS OF INCOME

We have not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labor or child labor in our activities and supply chains. Since there were no incidents of forced or child labour identified, there were no remediation actions needed.

TRAINING AND AWARENESS ACTIVITIES

Silvercorp offers training through the education including guidance from our “**Employee Handbook**,” which includes details regarding the prohibition of forced labour and the employment of child labor. While the current training does not specifically cover how to identify instances or situations with the risk of forced labour and child labour, Silvercorp provides additional training to those working in procurement and recruitment to identify and assess forced labour and child labour risks, equipping employees with the knowledge and skills to identify and record any such instances as described in the supply chain and recruitment processes. In the future, the Company will continue to constantly train and promote awareness among all employees through continue education and training, including but not limited to updating the Company’s Employee Handbook and other relevant management systems, aiming to enhance awareness and enforcement on these matters.

ASSESSING EFFECTIVENESS

In Fiscal 2024, Silvercorp assessed its effectiveness at ensuring that forced labour and child labour are not being used in its business and supply chains through a dedicated hotline and email reporting system. Silvercorp encourages employees to report on any illegal or inappropriate behaviour within the Company through these means. No incidents were reported in relation to forced labour or child labour.

ATTESTATION

This Report was approved by the Board of Directors of Silvercorp as a joint report on May 31, 2024, on behalf of itself and the other Reporting Entities, for the financial year ended March 31, 2024, in accordance with subsections 11(1) and 11(3) of the Act.

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 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 first listed above.

“Lon Shaver”

Lon Shaver, President, I have authority to bind the Company and its Reporting Entities
May 30, 2025