

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

For the year ended December 31, 2023



May 30, 2024



2023 Report – Introduction

This report has been prepared by Avino Silver & Gold Mines Ltd. and its subsidiaries (collectively “Avino”, “we”, “us” or “our”) in response to the reporting requirements under Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “Act”) for our financial year ending December 31, 2023. This report is made solely on behalf of Avino, as the sole entity determined to be a reporting entity under the Act.

This report describes the steps taken by Avino to assess, prevent and mitigate the risk of forced and/or child labour in Avino’s business and supply chains.

Our Business & Structure

Avino is a silver producer and developer with a focus on Mexico. Production of silver, gold and copper derives from our wholly owned Avino Mine near Durango, Mexico. Our goal is for long term sustainable and profitable mining operations rewarding to shareholders and the community alike through our growth at the historic Avino Property and the strategic acquisition of the adjacent La Preciosa Property, completed in 2022. Avino currently controls mineral resources, as per NI 43-101, with a total mineral content of 371 million silver equivalent ounces, within our district-scale land package. We are committed to managing all business activities in a safe, environmentally responsible, and cost-effective manner, while contributing to the well-being of the communities in which we operate.

Avino is a publicly traded company with common shares listed on the Toronto Stock Exchange and the NYSE American Exchange, under the symbol “ASM”. We are headquartered in Vancouver, British Columbia, and at the end of 2023, we had approximately 450 employees and contractors. For a detailed description of our business activities, please refer to our 2023 [Annual Information Form](#)

Our Supply Chain

At Avino, our supply chain has various levels that support our mining operations. It is our responsibility to ensure that our suppliers are aligned with our business goals and that we take steps to mitigate any identified supply chain-related risks.



Our mining operations necessitate that we procure a range of goods and services, such as mobile equipment, machinery, fuel and lubricants, explosives, among other products and services that support our mining operations. Our direct suppliers are closely aligned with the location of our operations in Mexico, with over 95% of our procurement spending being with local Mexican suppliers during 2023. We also engage with contractors for services such as heavy mining equipment maintenance, transport and logistics, mechanical and electrical maintenance and construction work and exploration drilling, of which 100% are based on the country of our mining operations, Mexico. For certain technical and engineering consultancy work, we do engage with consultants outside of Mexico, primarily from Canada or the United States.

Our mining operations results in the production of concentrate

Our Actions to Prevent and Reduce the Risks of Forced Labour and Child Labour

During the financial year end December 31, 2023, Avino has taken the following steps to reduce the risks of forced labour and child labour in our operations and supply chain:

- Working internally within all departments to assess the risks of forced and/or child labour in our supply chain and operations;
- Developing an action plan for addressing risks identified during this process;
- Conducting internal due diligence to identify, address and eradicate any identified forced labour or child labour, if any identified;
- Developing training and awareness for our workforce and suppliers/contractors on forced labour and child labour; and,
- Developing updated policies within our existing [Code of Conduct](#) that specifically address forced labour and child labour;

In 2024, our focus is on the continuation of this work, as well as the further development of additional policies to mitigate risks surrounding forced labour and child labour, as well as highlight the steps that we are taking to reduce the risks in relation to our supply chain and mining operations. These steps are outlined in our “Remediation Efforts” section below.

Our Human Rights Standards

We are committed to conducting our business in a responsible manner, respecting and complying with the laws and regulations in the jurisdictions in which we operate, in order to create an environment for safe and responsible mining operations. Our operations are prohibited from engaging in or assisting any form of forced and/or child labour. We continue to strive to improve



our sustainability performance through the implementation of industry best practices and standards. Our existing policies are currently under review for child labour and forced labour considerations, and we are evaluating due diligence procedures that will support the mitigating of risks surrounding human rights. Our [Code of Conduct](#) and [Whistleblower](#) policies are relevant to the prevention of forced labour and child labour in our operations; however, these policies do not explicitly reference forced labour or child labour considerations. Both policies are available in both English and Spanish.

Our Whistleblower policy is monitored independently and we ensure that all matters reported are investigated thoroughly, promptly, and confidentially. The Chairman of the Audit Committee is responsible for the oversight of these investigations and to ensure there are no retaliatory actions taken as a result of raising concerns through this process.

During the reporting year ended December 31, 2023, we did not receive any complaints through our Whistleblower channels with regards to forced labour or child labour.

Our Risk Identification & Review

Our operations reside primarily within Mexico, where we have production operations, as well as development & exploration operations. While forced labour and child labour exists worldwide, we are aware of the inherent risk associated with operating in Mexico, where an estimated 6.6 out of every 1,000 persons are the victims of modern slavery¹

At our operations, our workforce is largely unionized, and we abide by employer obligations under Mexican Federal Labour Law, which includes regulations related to forced labour and child labour, for example:

- Article 75 of this code prohibits the use or employment of minors under the age of 18 in mines,
- Article 132 requires employers to implement a protocol to eradicate forced labour and child labour

Further, we employ proof-of-age procedures to our contractors and suppliers, on top of our unionized and non-unionized workers. By adhering to these strict policies, we feel that the risk has been reduced regarding the existence of forced labour and child labour both in our supply chain. We acknowledge that the risk still exists within our supply chains of suppliers and contractors, which may be outside of our direct operational control. As part of our remediation measures (see “Remediation Measures” section below), we are working to implement additional

¹ <https://www.walkfree.org/global-slavery-index/downloads/> - 2023 Report



policies and procedures to further mitigate the risk as it extends outside our direct mining operations.

Our Remediation Efforts and Measures

We are not aware of any incidents of forced labour or child labour occurring during the year ended December 31, 2023, nor have there been any previously-identified instances of forced labour or child labour occurring were we have undertaking any remediation efforts relating to, either within our mining operations or our supply chain, and we are continuing to take steps to mitigate the inherent risks from operating in a jurisdiction that has been identified as a “Low to Medium” risk for modern slavery².

During 2024 and moving forward, our plans to mitigate risks of forced labour and child labour will include:

- Develop a comprehensive Supplier Code of Conduct to ensure adherence to our Code of Conduct from stakeholders directly involved in our supply chain.
- Develop an awareness program for employees, consultants and contractors directly involved in our operations related to the identification and prevention of forced labour and child labour.
- Continue to review our existing policies to strengthen our response to the risks surrounding forced labour and child labour.

Our Assessment of Effectiveness

We are dedicated to ensuring that forced labour and child labour are not used in our operations and our supply chains, and we have a number of measures in place to identify, prevent and reduce this risk.

We are working to establish a framework for measuring the effectiveness of these measures, and are in the process of developing a roadmap to build on our existing risk mitigation efforts which will be tailored to reduce the risk over time.

Our commitments include:

- Reviewing our supplier base to identify potential risks through developed procedures,
- Identifying and mitigating risks wherever they arise,
- Reviewing our policies related to child and forced labour prevention,

² <https://www.walkfree.org/global-slavery-index/downloads/> - 2023 Report



- Developing additional policies related to forced labour and child labour prevention and identification
- Developing forced labour and child labour training programs for all relevant staff,
- Developing a Supplier Code to our suppliers that references forced labour and child labour identification and prevention, and,
- Monitoring continued adherence to our code of conduct policies and procedures at all levels within our company.

Approval and Attestation

This report was approved by the Board of Directors of Avino Silver & Gold Mines Ltd. for the financial year ended December 31, 2023, in accordance with subparagraph 11(4)(b)(i) of the Act.

In accordance with the requirements of the Act, I attest that I have reviewed the information contained in the report listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year mentioned above.

I have the authority to bind Avino Silver & Gold Mines Ltd.

(signed) "David Wolfin" _____

David Wolfin
President, Chief Executive Officer and Director
Avino Silver & Gold Mines Ltd.